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CURRENT ISSUE
KEPT IN STACKS
HOUSE OF COMMONS

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1964

Second Session—Twenty-sixth Parliament

1964

9402

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: J. M. FORGIE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

1964 — No. 1-2
1965 — No. 1-9
1967 — No. 1-4

TUESDAY, APRIL 21, 1964

TUESDAY, SEPTEMBER 29, 1964

- OCT.

ESTIMATES (1964-65) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

The Honourable Roger Teillet, Minister of Veterans Affairs; Mr. Paul Pelletier, Deputy Minister; F. T. Mace, Assistant Deputy Minister; E. J. Rider, Director, Veterans Welfare Services; W. T. Cromb, Chairman and P. B. Cross, Deputy Chairman of the War Veterans Allowance Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: J. M. Forgie, Esq.

Vice-Chairman: G. Laniel, Esq.

and Messrs.

Asselin (Richmond- Wolfe),	Harley,	McIntosh,
Cameron (High Park),	Herridge,	Millar,
Chatterton,	Honey,	Morison,
Clancy,	Howard,	O'Keefe,
Émard,	Kelly,	Otto,
Fane,	Kennedy,	Patterson,
Fleming (Okanagan- Revelstoke),	Latulippe,	Pennell,
Frenette,	Legault	Pilon,
Greene,	MacEwan,	Pugh,
Groos,	MacRae,	Rock,
Habel,	Madill,	Temple,
	Martin (Timmins),	Thomas,
	Matheson,	Webb,
		Weichel—40.

(Quorum 15)

Mr. Webb Replaced Mr. Nesbitt on Tuesday, April 28, 1964

Mr. Olson Replaced Mr. Patterson on Wednesday, May 13, 1964

Mr. Legault Replaced Mr. Rideout on Monday, July 13, 1964

Mr. Patterson replaced Mr. Olson on Monday, September 28, 1964



Marcel Roussin,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
FRIDAY, April 10, 1964.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Asselin (Richmond- Wolfe),	Harley,	Millar,
Cameron (High Park),	Herridge,	Morison,
Chatterton,	Honey,	Nesbitt,
Clancy,	Howard,	O'Keefe,
Émard,	Kelly,	Otto,
Fane,	Kennedy,	Patterson,
Fleming (Okanagan- Revelstoke),	Laniel,	Pennell,
Forgie,	Latulippe,	Pilon,
Frenette,	MacEwan,	Pugh,
Greene,	MacRae,	Rideout,
Groos,	Madill,	Rock,
Habel,	Martin (Timmins),	Temple,
	Matheson,	Thomas,
	McIntosh,	Weichel—40.

(Quorum 15)

WEDNESDAY, March 11, 1964.

Ordered,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

TUESDAY, April 21, 1964.

Ordered,—That the Standing Committee on Veterans Affairs be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto; that the quorum of the said Committee be reduced from 15 to 10 Members, and that Standing Order 65(1)(n) be suspended in relation thereto; and that it be given leave to sit while the House is sitting.

TUESDAY, April 28, 1964.

Ordered,—That the name of Mr. Webb be substituted for that of Mr. Nesbitt on the Standing Committee on Veterans Affairs.

WEDNESDAY, May 13, 1964

Ordered,—That the name of Mr. Olson be substituted for that of Mr. Patterson on the Standing Committee on Veterans Affairs.

STANDING COMMITTEE

MONDAY, July 13, 1964

Ordered,—That the name of Mr. Legault be substituted for that of Mr. Rideout on the Standing Committee on Veterans Affairs.

TUESDAY, September 22, 1964

Ordered,—That the Items listed in the Main Estimates and the Supplementary Estimates (A) for 1964-65, relating to the Department of Veterans Affairs, presented to this House at the present session, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Veterans Affairs, saving always the power of the Committee of Supply in relation to the voting of public monies.

MONDAY, September 28, 1964

Ordered,—That the name of Mr. Patterson be substituted for that of Mr. Olson on the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

REPORT TO THE HOUSE

APRIL 21, 1964

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto;
2. That its quorum be reduced from 15 to 10 members and that Standing Order 65 (1) (*n*) be suspended in relation thereto;
3. That it be given leave to sit while the House is sitting.

Respectfully submitted,

J. M. FORGIE,
Chairman.

(Concurred in on the same day.)

MINUTES OF PROCEEDINGS

TUESDAY, April 21, 1964.

(1)

The Standing Committee on Veterans Affairs met at 11.30 o'clock a.m. this day, for organization purposes.

Members present: Messrs. Asselin (*Richmond-Wolfe*), Clancy, Emard, Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Habel, Harley, Herridge, Kennedy, Laniel, MacEwan, MacRae, Madill, McIntosh, O'Keefe, Patterson, Pennell, Pilon, Rideout, Rock, Temple—(22).

The Clerk of the Committee attended the election of the Chairman.

Mr. Pilon moved, seconded by Mr. Rideout, that Mr. Forgie be elected Chairman of the Committee.

Thereon Mr. McIntosh, seconded by Mr. Asselin (*Richmond-Wolfe*), moved that the nominations be now closed.

Thereupon Mr. Forgie was declared duly elected as Chairman. On taking the Chair, the Chairman thanked the Committee for the honour conferred on him.

On motion of Mr. Temple, seconded by Mr. MacRae,

Resolved,—That Mr. Laniel be Vice-Chairman of the Committee.

On motion of Mr. Rideout, seconded by Mr. Harley,

Resolved,—That the Committee seek permission to print from day to day its Minutes of Proceedings and Evidence.

On motion of Mr. Rideout, seconded by Mr. Harley,

Resolved,—That the Committee seek permission to print from day to day 1,000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. McIntosh, seconded by Mr. MacRae,

Resolved,—That the Committee seek permission to sit while the House is sitting.

On motion of Mr. Rock, seconded by Mr. Emard,

Resolved,—That the Quorum of this Committee be reduced from 15 to 10 members.

On motion of Mr. Rideout, seconded by Mr. Asselin (*Richmond-Wolfe*),

Resolved,—That a Subcommittee on Agenda and Procedure, comprised of the Chairman and six other members of the Committee designated by the Chairman, be appointed.

At 11.45 o'clock a.m., Mr. MacRae moved, seconded by Mr. Harley, that the Committee adjourn to the call of the Chair.

Maxime Guitard,
Acting Clerk of the Committee.

TUESDAY, September 29, 1964.

(2)

The Standing Committee on Veterans Affairs met at 10.05 a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

Members present: Messrs. Chatterton, Clancy, Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Habel, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, MacEwan, MacRae, Madill, McIntosh, O'Keefe, Otto, Patterson, Pilon and Rock—(21).

In attendance: From the Department of Veterans Affairs: Honourable Roger Teillet, Minister; Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. Crawford, Assistant Deputy Minister (Treatment) and Director General, Treatment Services; Mr. T. T. Taylor, Director, Legal Services; Mr. P. E. Reynolds, Chief Pensions Advocate; J. E. Walsh, Director, Finance, Purchasing and Stores; E. J. Rider, Director, Veterans Welfare Services; W. Strojich, Senior Administrative Officer, Veterans Land Administration, C. F. Black, Departmental Secretary; G. L. Mann, Chief, Rehabilitation, Veterans Welfare Services; and C. S. T. Tubb, Executive Assistant to Director, Veterans Welfare Services; from *Canadian Pension Commission*: Mr. T. D. Anderson, Chairman; and Mr. L. A. Mutch, Deputy Chairman; from *War Veterans Allowance Board*: Mr. W. T. Cromb, Chairman; and Mr. P. B. Cross, Deputy Chairman.

The Clerk read the Orders of Reference dated September 22 in English and in French.

The Chairman read the first report of the Sub-Committee on Agenda and Procedure which was adopted on the motion of Mr. Laniel, seconded by Mr. MacRae, with one correction as suggested by Mr. Herridge.

The Chairman then introduced the Minister, who made a statement on various items in the Estimates of his Department. He introduced officials of his Department.

The Minister was examined. The Chairman called Vote 1—*Departmental Administration*, which was discussed and allowed to stand.

Votes 5 and 10 were also called and considered by the Committee.

Messrs. Pelletier, Mace, Rider, Cromb and Cross were questioned at length by the Committee.

Mr. Cromb placed before the Committee two Tables showing the numbers of recipients of Civilian War and War Veterans Allowances, and it was agreed that they be reproduced as *Appendices "A" and "B"*.

(*See today's proceedings*).

At 12.25 p.m., the examination of the witnesses continuing, the meeting was adjourned until Thursday, October 1 at 10.00 a.m.

Marcel Roussin,
Clerk of the Committee.

EVIDENCE

TUESDAY, September 29, 1964.

The CHAIRMAN: Gentleman, we have a quorum. First of all, I would like the Clerk to read the order of reference of September 22, referring the main and supplementary estimates of the Department of Veterans Affairs to this committee.

The CLERK OF THE COMMITTEE

Ordered that the items listed in the main estimates and the supplementary estimates (A) for 1964-65, relating to the Department of Veterans Affairs, presented to this house at the present session, be withdrawn from the committee of supply and be referred to the standing committee on veterans affairs, saving always the power of the committee of supply in relation to the voting of public moneys.

The CHAIRMAN: Gentlemen, I would like to present the first report of the subcommittee. This committee met yesterday afternoon:

Sub-committee on agenda and procedure

The sub-committee on agenda and procedure comprises the following members: Messrs. Groos, Herridge, McIntosh, O'Keefe, Patterson and Laniel.

The sub-committee met on September 28th, and has agreed to report as follows:

1. The committee will undertake to hear the minister of veterans affairs and deal with the estimates, and decide later on other matters.

2. The committee will meet on the following dates:

Tuesday, September 29, 1964 at 10.00 a.m.

Thursday, October 1, 1964 at 10.00 a.m.

Tuesday, October 6, 1964 at 10.00 a.m., and

Thursday, October 8, 1964 at 10.00 a.m.

Would someone move the adoption of this report.

Mr. LANIEL: I move that the report be adopted.

Mr. MACRAE: I second the motion.

Mr. HERRIDGE: Mr. Chairman, I moved that motion and I note that there is one inaccuracy in it. I did not use the word "undertake". That sounds like a contract. What I said was that we would be looking forward to hearing the Minister of Veterans Affairs.

The CHAIRMAN: You would like to substitute another word for the word "undertake"?

Mr. HERRIDGE: Yes. I said: "look forward to hearing the minister". The way it reads now it sounds like a contract.

The CHAIRMAN: Gentlemen, at this time it gives me great pleasure to call upon the minister, who will speak to you at this time.

Hon. ROGER J. TEILLET (*Minister of Veterans Affairs*): Mr. Chairman and members of the committee, with Mr. Herridge as sharp as he is this morning I am glad I am not going to discuss the Columbia river treaty.

Mr. HERRIDGE: You had better not.

Mr. PATTERSON: Mr. Chairman, I think it would be as well if the minister was seated.

The CHAIRMAN: Yes.

Mr. THILLET: Gentlemen, I am not going to make a very long speech to you this morning. I know this always has been the case. I have a cabinet meeting at 10 o'clock this morning but I do not mind being a little late for it.

First of all, may I say how much I welcome this opportunity of meeting with you this morning and telling you to what extent this standing committee of veterans affairs has been helpful and of value to the department. These meetings are of great value to the department because of their interest and the attitude taken in dealing with veterans affairs. I think I said last year, when we first met—and I had taken this from the text of an introductory speech of a previous minister of another government and another party—that this is one committee where you have managed to do your work with a minimum of political—in other words, partisan—consideration. Your interest has been the welfare of the veterans of Canada, and I certainly want to compliment this committee on their attitude during the past year. I am sure you will carry on in that spirit.

I understand you will be considering the estimates and, of course, during this consideration, as usual, I am sure that you will find the officers of the department most co-operative. They will give you every assistance they can. While I will not perhaps be spending too much time with you I want to assure you at this time that any time my presence might be helpful and you require it I will be only too glad to attend.

Perhaps I should report to you that our work in preparing legislation for this session is nearing completion and we will be introducing legislation in the house in the very near future, certainly well before the end of this year. This legislation will cover a large number of items. It may not cover all of the items that we would like to see introduced at this time and, perhaps, certain legislation which others would like to see will not be introduced. But, we have spent a great deal of time with the officials of the department looking through the representations of the various veterans organizations throughout Canada, the resolutions at their annual meeting, the annual meeting of the Royal Canadian Legion, your own recommendations and, as well, I am sure, the recommendations that I and the officials have received from various members of parliament and interested individuals across the country. We have tried to do as good a job as we could on that and we hope to be able to present it to the house in the not too distant future.

Mr. Chairman, I do not know what more I can add this morning that would be useful to the committee. Perhaps I should conclude by presenting to you the officials of the department and the Canadian Pension Commission who are here this morning to await your deliberations. I would start with the deputy minister, Mr. Paul Pelletier, whom I am sure you have met before, and the assistant deputy minister, Mr. Mace. Then we have the assistant deputy minister in charge of treatment services, Dr. Crawford; Mr. Taylor, director, legal services; Mr. Reynolds, chief pensions advocate; Mr. Walsh, director, finance, purchasing and stores; Mr. Rider, director, veterans welfare services; Mr. Strojich, senior administrative officer, veterans land administration; Mr. Pawley is not here this morning as he is attending a meeting of the directors across the country in Montreal; Mr. Black, departmental secretary. Then, from the Canadian Pension Commission we have Mr. Anderson, the chairman, and Mr. Mutch, the deputy chairman. From the war veterans allowance board we have Mr. Cromb, the chairman, and Mr. Cross, the deputy chairman. Mr. Mann, chief rehabilitation, veterans welfare services is present as well as Mr. Tubb, chief social welfare services.

That is all I have to say at this time, unless you have certain questions to put to me.

The CHAIRMAN:

Vote 1 Departmental Administration, \$6,491,400.

Mr. CHATTERTON: Mr. Chairman, could we ask the minister one or two questions?

Mr. Teillet, can you say whether the proposed legislation will be referred to this committee?

Mr. TEILLET: That is a question which is a little difficult for me to answer at this time. There will be legislation which, of course, will affect money matters, and then it will be a matter of procedure. We likely will have to use the supplementary estimates to deal with these matters. These are some of the conclusions which have not been tidied up yet. I really cannot answer this question at this time.

Mr. McINTOSH: Mr. Teillet, can you tell us if there is going to be any change in the War Veterans Allowance Act to look after the 365 days requirement? You have said you are going to bring your legislation before the house in the not too distant future. However, that does not mean too much. What is the not too distant future?

Mr. TEILLET: Well, as I indicated in the house, I would still hope to have this before the house during the coming month. This is not a definite commitment but I will do my best to try to get it into the house before the end of October. This is my objective. It may be that it might run into November, but it will be done in the not too distant future. It will be done before the end of the year.

Mr. McINTOSH: I, as well as other members of parliament, am receiving many letters from the veterans in respect of increases in pensions, war veterans allowance and so on, and in order to answer these questions intelligently could you give us any information other than saying we have to wait until November 1.

Mr. TEILLET: I hope you will appreciate my position in this respect. I have not finalized yet the representations and until I have them from the cabinet I am not in a position to answer specifically in respect of that question.

Mr. McINTOSH: To follow that up, I think it is the intention of the official opposition and perhaps others to put your estimates through as soon as possible if we can get the proper information. However, if you are unable to give it to us at the present time perhaps we will have to go into greater detail on these estimates. If you are concerned in getting it through the committee in a hurry it would be helpful if you could give us more definite information. What you have said is rather indefinite.

Mr. HERRIDGE: Without being specific could you advise the committee that our realization will equal our anticipation?

Mr. TEILLET: I would hesitate to go quite that far. But, I would say that I would hope that when legislation comes down, and in dealing with W.V.A. rates and pension rates, there would be general satisfaction from members of parliament. Now, I do not know, Mr. McIntosh, whether or not I have answered your question satisfactorily. I think I have in an oblique way. You will appreciate my position. I am unable to give a more definite answer until I have final approval, the final legislation from cabinet, and until that time it would be quite improper for me to tell you what I am actually recommending at this time. But, I would hope that when the recommendation comes from cabinet it will be to the general satisfaction of the members.

Mr. CHATTERTON: Can you say whether you hope to make amendments to the Veterans Land Act?

Mr. TEILLET: Yes.

Mr. McINTOSH: And, to the War Veterans Allowance Act?

Mr. TEILLET: Yes.

Mr. McINTOSH: And, increases in pension?

Mr. TEILLET: I wish you would put that question in a different way so that I could answer it in the affirmative.

Mr. McINTOSH: All right, amendments?

Mr. TEILLET: Yes.

Mr. HERRIDGE: And, other legislation?

Mr. TEILLET: Yes. I hope, Mr. McIntosh, you appreciate that I am trying to be as helpful as I can, and I do hope that this gives you the answers you wanted.

Mr. McINTOSH: I hope you feel we are trying to be helpful too.

Mr. TEILLET: I am sure you are and I accept it.

Mr. CHATTERTON: Could you say, Mr. Teillet, when the 1963-64 annual report will be submitted?

Mr. TEILLET: I understand it is now at the printers but it may be some time in November before we receive it.

Mr. CHATTERTON: It would be helpful in this discussion of the estimates.

Mr. TEILLET: I am afraid it will not be available at least until some time later in November, but it is not at the printers.

The CHAIRMAN: Are there any more questions, gentlemen?

Mr. McINTOSH: We have some but I do not think we will get an answer to them.

Mr. TEILLET: Well, give it a try.

Mr. CHATTERTON: Is the minister not proposing to make a statement with regard to the treatment services?

Mr. TEILLET: Yes, perhaps I overlooked that. The situation, as I explained when I made the statement to the house last March and I think during the consideration of one of the supply motions later on, is as I have indicated. It is difficult to make an over-all statement that would apply to all our hospitals across the country because there are really no two alike. As you are aware, we had hoped to conclude arrangements with the provincial authorities of Alberta vis-à-vis the Colonel Belcher hospital. For some reason which I do not understand this has not taken place, which leaves us with a problem with this hospital with which we have to cope in some other manner.

In the case of Edmonton we have entered into an agreement with the province of Alberta to transfer the government house to the province because they wish to use it for a centennial project.

Near the University of Alberta there will be constructed a 150 bed domiciliary care institution which will be turned over to us for our veterans who are now occupying the Wells pavilion. The construction should begin very shortly so that that transfer will take place probably some time in the latter part of the next year, but this building which will be built by the province of Alberta with some financial assistance from the department will then be turned over to our department for our use as long as we have need of it. Therefore, there is no change in the operational control of domiciliary care and domestic type care of the veteran patient.

The other change that has occurred is the change in the Ridgewood health centre in New Brunswick where we are making an arrangement with the compensation board of that province for them to operate this and give us use of enough space so as to improve our rehabilitation facilities in that area.

You know that we are making arrangements with the paraplegics to come into the Sunnybrook area. You also know that we have entered into an arrangement with the Wellesley hospital people for arthritic treatment. I believe Dr. Crawford could correct me if I am wrong but I think there are two wards, 48 beds, used for this arthritic unit at Sunnybrook.

That is the extent of the report I can give you at this stage. There are no other changes at all beyond this in the other provinces.

We are looking at the situation in Ste. Anne de Bellevue in Montreal with the hope of the reconstruction of that institution because, as you know, it is a pretty old one. There again we have not taken a final decision on that at the moment. We are still hoping that in those areas which give us some difficulty we might be able to make the kind of arrangement which would safeguard our treatment standards.

Mr. McINTOSH: What are those areas you refer to?

Mr. TEILLET: I hesitate to name them because this may have a rather bad effect and it does mean singling out certain institutions apart from others. For that reason I have always refrained from suggesting that this one is doing this and the other one is not.

Mr. McINTOSH: How many are under consideration?

Mr. TEILLET: At the moment there are only two under consideration.

Mr. McINTOSH: There are two others that you have not mentioned?

Mr. TEILLET: Yes, and I have no idea what the results of this might be; it is at a very preliminary stage.

Mr. CHATTERTON: Could the minister say whether the local veteran organizations will be given a chance to look at the agreement with regard to Ridgewood?

Mr. TEILLET: This agreement with Ridgewood is just about concluded, but at all times officials in provincial command are made completely aware of the talks and negotiations that are going on.

Mr. CHATTERTON: Can the minister say whether consideration is being given to the construction of domiciliary care institutions at other centres?

Mr. TEILLET: Some consideration is being given to that but as yet there have been no really firm conclusions. This is a pretty difficult area, as I think you will appreciate, in that there is a general shortage of this kind of accommodation throughout the country. It may be that, as we think, we were helpful in inspiring this kind of thing in Edmonton. If the circumstances were proper in other areas we think it would be a logical and reasonable approach to this problem.

Mr. CHATTERTON: Can the minister say whether consideration has been given to increasing the number of doctors who became consultants in these veterans' institutions?

Mr. TEILLET: I am sure Dr. Crawford could answer this as he has given day and night consideration to this question with only partial success. What is happening is that there is a general shortage throughout the country and we are being hit first. This is a national consideration and certainly anywhere we can be helpful in assisting in this development within our own authority I think we would want to do all we can, and certainly wherever we have an opportunity to do anything in order to bring within our institution the kind of people we want everything is being done that can be done.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. PATTERSON: Mr. Chairman, I am not sure whether this is the place to raise this question but I would like to know whether the department has

had any specific complaints from the Shaughnessy hospital in Vancouver regarding the situation with respect to orderlies and their working conditions?

Mr. TEILLET: Perhaps I should answer that in this way. I have received one or two complaints, and I am speaking from memory now, and if my memory serves me right investigation has proved them to be unfounded. If I might suggest this it might be advisable for Dr. Crawford to answer this question as he is in a much better position to speak on this than I am. He has a much closer knowledge of the situation than I have. Would that be satisfactory to you?

Mr. PATTERSON: Yes, that would be fine.

Mr. TEILLET: I think I have to admit readily that all these gentlemen here know much more about their departments than I could possibly know.

Mr. HERRIDGE: I suggest we would be well advised to question the officials in charge of each branch as the estimates come before us. I do not expect the minister to know the details of all the operations.

Mr. TEILLET: May I be excused now and may I express my thanks for your courtesy this morning? If there is any further information or help that I can give you I will be glad to do it, of course.

Mr. McINTOSH: I have one further question, Mr. Teillet. Is there any proposed legislation for any branch of your department that you have not touched on that you anticipate putting before the house?

Mr. TEILLET: There will be just one, the army benevolent fund which will have to be adjusted. That one comes to my mind readily. It deals with the interest rate on the army benevolent fund. This is an example. I trust I have not overlooked any of the others, but there will be things of this sort, and this is one of them.

Mr. CHATTERTON: May I ask one more question? Could the minister say whether consideration has been given to the implementation of the Glassco commission recommendations in so far as your department is concerned?

Mr. TEILLET: With respect to the Glassco commission, if we are excluding the section on treatment services and the manner of their recommendation, as you know we have had in the department, as a result of the Glassco commission, a team of consultants with a view to reorganizing the administration of the department. Again, I think that perhaps it might be helpful if Mr. Pelletier or Mr. Mace or Mr. Black, all of whom are much more knowledgeable about what has been done in this field, could answer this question. I think those people have completed their work, if I am not mistaken, and we now have the report on hand. I have only gone through it very briefly as I have only had it for a short while.

Mr. PATTERSON: Mr. Chairman, in the course of the visit of the defence committee to Europe last year we attended a luncheon and had the opportunity to sit beside a German gentleman who was the representative of the veterans' ombudsmen in Germany. He was outlining the work that should be done in that particular connection. I am wondering whether any thought has been given to such an institution here. I know I have had a great many cases brought to my attention with regard to pensions and decisions in respect of the Pension Commission, and so on. I think there would be room for such an office to deal with these particular problems.

Mr. TEILLET: I think I should say to you there are two specific institutions within the department, and when I use the term institution here probably it may not be the proper term. You have two institutions, the pensions advocate—that is the veterans bureau—and the welfare services. My experience with the department now goes back a few months and perhaps I can speak with

a little more authority than I could have a year ago. I think I can say that each one of the officials and clerks in the department considers himself to be a defender of the veteran. So far as I know, each of these individuals is himself a veteran and is interested in the welfare of the veteran. I believe they will bend backwards to make sure that the veteran receives everything to which he is entitled or needs in order to carry out as useful a life as possible.

I have been inspired by the attitude generally that exists throughout the department. Since I last met with you I have had an opportunity to visit every one of the district offices throughout the country, and I think I have visited all but one hospital. I am satisfied the attitude of these people is such that they will do everything in their power to make sure that the rights of the veterans are protected and that everything which can be done for the veteran is being done.

You will appreciate there are very, very difficult cases and we all are aware of those because we receive the communications first whenever anything is unsatisfactory from the veterans' side. However, even in those cases there is the opportunity to come back two or three different times. I think you will know that in each case a very thorough investigation is carried out.

I should take this occasion to do more directly what I am doing rather obliquely; that is, to pay tribute to the staff, and I mean all of the staff, of this department and the Pension Commission for the manner in which they are carrying out their work.

Mr. HERRIDGE: Mr. Teillet, I would like to support you in that and say that this is one department of government where an ombudsman is not indicated.

Mr. FANE: Strange as it may seem, Mr. Chairman, my friend from Kootenay West here and I are in whole hearted agreement on that. I have found the Department of Veterans Affairs is very, very good.

Mr. McINTOSH: I hope you realize, Mr. Teillet, there is a conflict of opinion here, too.

Mr. TEILLET: I suppose this underlines the very humanity of the department.

Mr. PATTERSON: Perhaps this is because I am not a veteran, but I would not concur altogether in what has been said with reference to the various decisions which have been handed down.

I think possibly there is too strict adherence to some of the regulations which are laid down. Perhaps it is the regulations which have to be changed.

Mr. TEILLET: I do not think the Auditor General really would agree with you. If you look at this report every year, I believe you will see that we get our knuckles rapped. I do consider at times that the regulations are stretched to the point where it bothers me. However, so long as I feel I can stand up in the House of Commons and say this was done on humanitarian grounds, I do not feel I will be hit too hard for it. I certainly am not going to interfere. I think the truth of the matter, on examination, is that every advantage is taken of the regulations in order to give the veteran as much of a break as possible. I think that would be true right throughout the department.

Mr. FLEMING (*Okanagan-Revelstoke*): Would the minister tell us what are his intentions with regard to the recommendations of this committee in its last report?

Mr. TEILLET: As I said in my opening remarks, I appreciate the recommendations of the committee and while preparing legislative amendments and adjustments of what I will call generally the veterans charter, to use an overall expression, these recommendations have been most helpful. I have a feeling that when the report comes out in the House of Commons there will be general

satisfaction with it. I would hesitate to say that it will be completely satisfactory; that perhaps would be carrying things a little too far.

Mr. FLEMING (*Okanagan-Revelstoke*): Can the minister give us any idea when he anticipates being in a position to advise the house of whatever planned amendments and changes may be introduced?

Mr. TEILLET: As I stated a little earlier in answer to that same question, it is my hope that I might able to do this before the end of this month, but certainly in the very near future. I would not want to make this as a firm commitment, because I might be forced to go into the month of November. However, my objective is to do this before the end of October.

Mr. FLEMING (*Okanagan-Revelstoke*): At that time we will then see what decisions have been reached with regard to the suggestions made by this committee at its last sittings.

Mr. TEILLET: I think perhaps that is the proper way of putting it.

The CHAIRMAN: Gentlemen, I would like to thank the minister for coming here this morning and explaining these matters to us.

Mr. TEILLET: Thank you very much. I have to go to another meeting at this time.

The CHAIRMAN: Item 1 will stand. There may be questions on this item.

Mr. MACRAE: May I ask the deputy minister whether the total number of employees in the Department of Veterans Affairs was larger or smaller at the end of the last fiscal year compared to previous fiscal years?

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): The trend is going down. I will ask Mr. Mace to ascertain exactly what it is.

Mr. MACRAE: It probably will go down for a few years and as the second world war veterans require more services, then the trend will go up again.

Mr. PELLETIER: That is true, but only in certain areas. For example, the Veterans' Land Act is reducing and is expected to continue to reduce, while it is not inconceivable that welfare services may increase as the world war II load increases.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Do you wish the actual figures?

Mr. MACRAE: Yes.

Mr. MACE: From a purely establishment point of view, our estimates provided in 1963-64 for 14,329 positions and the estimates which are before you provide for 14,321. There is a very small change of eight. You should keep in mind that this is establishment, the number of positions we have on our establishment. Actually, at the end of June, 1964, which is the latest figure I have, we had only 13,103 employees. There are quite a number of vacant positions.

Mr. McINTOSH: What is the reason for the unfilled vacancies? Is it because you cannot get the proper people to fill them?

Mr. MACE: Not necessarily. There is quite a turnover of staff particularly in the institutions; and while the figures I gave you first were for the ceilings you are never up to your ceilings because somebody may leave for example in order to get married, and there will be a lapse of time before you get a replacement.

Mr. PELLETIER: In addition to that, in such classes as nurses, at certain institutions we have difficulty; in fact we cannot fill our establishment.

Mr. MACRAE: Thank you.

Mr. HERRIDGE: I wonder if the deputy minister could tell us what reductions have taken place in the veterans land administration staff, and describe

to the committee what work is being done by the veterans land administration for the Farm Credit Corporation?

Mr. MACE: I think the establishment for the Veterans Land Act last year and this year is identical, with 790 positions. The actual number of people employed as of June of this year was 647 as opposed to a year ago when it was 664. So there has been an effective reduction of only 17 employees; but the actual employed staff is considerably below their establishment.

In so far as the Farm Credit Corporation is concerned, perhaps Mr. Strojich would speak to it.

Mr. W. STROJICH (*Senior Administrative Officer, Veterans Land Administration*): We are doing no work for the Farm Credit Corporation at the present time. The arrangement we had for co-operative work started at the time the Farm Credit Corporation was set up, when we had our field men strategically located across Canada, and when the Farm Credit Corporation used our staff to do their work, while we used their staff to do our work. But this arrangement was terminated in 1962 and at the present time while there is friendly co-operation between the staffs, yet we do no work on an assignment basis or otherwise for the Farm Credit Corporation; and neither does the Farm Credit Corporation do work for us.

Let me illustrate it this way: quite often the offices are adjacent to each other. A veteran may come by and our man may happen to be in the field, whereupon the Farm Credit Corporation will handle it. He may have been a V.L.A. man at one time; or quite often the Farm Credit Corporation will provide information to the veteran who is inquiring, and similarly the Veterans Land Act people provide information about Farm Credit Corporation activities.

Mr. KENNEDY: Is there still not some active work done in the appraisal field for other departments?

Mr. STROJICH: Yes; the V.L.A. does considerable work on an assignment basis for other departments. We have a staff of highly qualified appraisers, and we do work for such departments on an assignment basis as the Department of National Revenue, some work for the Department of National Defence, and quite a bit for the crown assets corporation, for example; and we have done it for the Department of Public Works, and for a very large number of other departments on an assignment basis. Some work has been very detailed, requiring highly skilled and qualified appraisers.

Mr. HERRIDGE: What credit do you give to the other departments for your expenditure on these assignments?

Mr. STROJICH: We get a very good thank you note, and they pay our travelling expenses. But actually we shall be re-regularizing this work in accordance with the recommendations of the Glassco commission, and we shall be doing it on a fee basis of some sort. We are just working out the details now; but we shall get a little more credit. We love doing this work, because it keeps our field men on their toes, gives them wider experience, and is good for their professional standing. But we will be putting this on an assignment basis and getting back more than just our out-of-pocket expenses.

Mr. McINTOSH: I notice that there has apparently been a change in the way in which the estimates are put up in order to include the parts of former votes. On page 500, about three quarters of the way down, there is a total expenditure for 1961-62, 1962-63, and 1963-64. It increased last year, but this year it was down below what it was in 1961-62. Has there been any organization within the department where the savings have been large, or may I ask the reason for it? Was it loss of personnel, or what?

Mr. MACE: You are referring to page 500?

Mr. McINTOSH: Yes.

Mr. MACE: You are referring to the expenditure figures?

Mr. McINTOSH: Yes, the total expenditure figures.

Mr. MACE: Of \$652,500?

Mr. McINTOSH: No, down lower than that, to the \$6 million.

Mr. MACE: Might I explain first of all and draw the attention of the committee to the very point which Mr. McIntosh has raised, and it is that the new form of estimates is rather a little confusing having regard to the way we dealt with them in previous years. This increase, in fact, reflects the result of three votes that we used to have before: Departmental administration, on page 498; district services administration, on page 500; and the veterans bureau. So the figure you have referred to is in fact the total expenditure of the three different votes.

Now, there has been a gradual decline, and we would have to go back to each one of these special votes to establish exactly where this decrease has come from. But I suggest to you that this is a very minimal change, and is not caused by anything in particular; there is no particular reason for this expenditure other than the slight adjustments in staff and in the amount of our regular administrative expenses.

Mr. McINTOSH: In the first two, the figure is \$6 million.

Mr. MACE: It is \$6.5 million.

Mr. McINTOSH: And \$6.6 million. But were the items which you now include in item I, included in these figures?

Mr. MACE: Yes.

Mr. McINTOSH: They are added up?

Mr. MACE: Yes, this is the total of the expenditures of these three votes for these particular years, and we have to go back to each one of these votes in 1962-63 in order to see what made it up. I am sorry but I do not think we can tell you that right now.

Mr. McINTOSH: I do not think we want details. I was thinking rather that most of this deals with salaries for administration of the department, I mean most of the \$6 million.

Mr. MACE: Yes; if you look at the details, you will see that the salaries, for example, for administration total \$2,150,000 out of \$2,400,000; and for district administration, \$3,000,000 out of \$3.4 million, roughly.

Mr. McINTOSH: The department had nothing to do with the increase there for the personnel who are here today, or those who worked under them, because it is a civil service decision whether there is an increase. Does it come up each year for those holding positions?

Mr. MACE: Salary increases fall into two categories generally. These are the adjustments we make from time to time as a result of a cyclical review, or a comparison of the civil service with industry salaries; and the other one is the normal annual increase to which people are entitled, and the department has no control over the establishment of salaries of any of the classes.

Mr. McINTOSH: I think this question has been asked today and I know it has been asked on former occasions. In your department do you encounter any difficulty in recruiting the technicians and professional people that you require at the salaries you are able to offer them because of the scale in the civil service?

Mr. PELLETIER: I think I will have to answer that question in a general way.

In some classes of employment the answer is yes; in others, the answer is no. I think it is fair to say that by and large, with very little margin, our salaries are roughly competitive with those in similar employment outside.

In certain cases there is a shortage, and we have a peculiar problem with which you are no doubt familiar.

Mr. McINTOSH: I am just wondering in what way the committee can help the department by some recommendation in this regard. Sometimes we can; sometimes we cannot.

I occasionally have the feeling that because of what you are able to offer to professional men you are not getting the type of employee the veterans deserve.

Mr. PELLETIER: In most grades we are not unique employers in the government service. The salaries are recommended by the Civil Service Commission and finally set by the treasury board because they cover a great many departments. So, if I may say so with respect, I do not think it is too practical to think in terms of trying to help one department alone, much as I would love that to be done if it were possible.

Mr. McINTOSH: It is our duty as members of this committee to help this department. If there is any way in which we can do so I think it is our duty here to point out to the government, or to parliament, that there are some inequities in this system and to suggest some way of overcoming them. Actually, I think the committee and the department are both working towards the same end but with different ideas on the method of achieving that end. It is possible that some areas are suffering from a lack of the proper type of professional services; and I suggest this could happen in the medical field.

Mr. PELLETIER: I do not think you could say it is actually critical anywhere, although in some areas it is most difficult; and possibly the medical profession generally is the most difficult area.

Of course, we probably feel this more acutely than similar employers outside, such as the general hospitals because of the nature of our patient load. We have managed, however, to keep a pretty high calibre of professional help even though in some instances the quantity is insufficient.

Mr. CHATTERTON: Specifically, what about the supply of nurses? Could Dr. Crawford tell us?

Mr. CRAWFORD: Mr. Chairman, this is indeed a very difficult situation. As has been said here today, civil service salaries are set by a joint study by the Civil Service Commission and the treasury board. We do not always agree with the figures which they set, but they are set in relation to other federal employment.

I think you must bear in mind too that in the federal service we are committed to a federal rate of pay which applies in Halifax, St. John's, Newfoundland, and in Vancouver or Victoria, B.C., whereas in a non-federal service competitive rates are quite different in different areas. This presents problems for us. We are tied to a federal rate, and therefore we run into inequities in certain regions of this country. It is one of the grave disadvantages in attempting to operate a federal service.

On the question Mr. Chatterton raised some time ago about orderlies in Shaughnessy, we have had complaints from orderlies there. They have complained that they are receiving less than orderlies in other hospitals. In other places, however, orderlies are receiving more money than orderlies in other hospitals in the same cities.

However, this is something with which we have to live because we cannot establish regional rates of pay. The moment we establish regional rates of pay we will lose all possibility of mobility and transfer. Therefore, one

is on the horns of a dilemma with regard to this but, as the deputy minister has said, our salary scales are roughly competitive in most areas of Canada.

With respect to nurses we have a serious problem. I cannot give the figures of nursing shortages at the moment, but they are alarming. I have had to close wards in several hospitals simply because I cannot staff them, in spite of the fact that many of the shortages occur where our salaries are definitely competitive with salaries outside. We are competing in a very tight market; nurses are in short supply everywhere. We have the added disadvantage, as I think I explained to you the last time I appeared before you, of a patient load which is not nearly as attractive as that in civilian hospitals outside. In my opinion, this is a main factor in our difficulty in obtaining nurses.

Mr. CHATTERTON: Could Dr. Crawford say if the establishment is not filled in any of our institutions? Is the establishment filled?

Mr. CRAWFORD: No, if my establishment were filled I would be in clover.

Mr. CHATTERTON: Is consideration being given to making use of specially trained practical nurses?

Mr. CRAWFORD: I think the Department of Veterans Affairs has probably pioneered in the use of nursing assistants, as we call them, as it has pioneered in many areas in hospital administration. We have met with tremendous success in this. We are using nursing assistants or practical nurses. We operate a school of our own in Halifax where we train girls who go to various hospitals in Canada. We are co-operating in British Columbia with the provincial school for nursing assistants there and helping to train girls; and we are employing nursing assistants in Victoria, as we are doing in many parts of the country.

Mr. PATTERSON: Mr. Chairman, I think it was I who raised the question regarding the situation in Shaughnessy, not Mr. Chatterton. My information is that quite a few orderlies have resigned this month, and quite a few resigned last month; and that one of the factors leading to their resignations was the low rate of pay compared with those for the non-governmental hospitals.

Is that a fact, or are there other circumstances that have entered into this situation?

Mr. CRAWFORD: I am not aware of the actual figures for the last few months, but I am not at all surprised to hear that this is so. This has been the situation for a long time. We have had trouble in retaining orderlies in Shaughnessy. The difficulty has not been with the senior orderlies; they are staying with us. The difficulty has been with the junior orderlies. On the other hand, when we bring this to the attention of the Civil Service Commission and the treasury board we must also bring to light the fact that we can recruit the junior grades relatively easily; so there is a constant flow out but there is also a flow in. This is not a completely desirable situation, but it rather inhibits our case for pay increases for orderlies across Canada.

Mr. HERRIDGE: Is there any difficulty now in obtaining veterans who are entitled to veterans' preference to take positions in the department, and can you tell us how many non-veterans are employed in each branch of your department at the present time?

Mr. PELLETIER: I cannot answer the question precisely but I can say that the vast majority of the employees are veterans—male employees. Among the female employees, of course, there are many non-veterans.

Mr. HERRIDGE: Yes, I understand that.

Mr. PELLETIER: I have not the exact figures here, Mr. Herridge, but we will try to find the answer for you.

The CHAIRMAN: Gentlemen, are there any other questions under Item No. 1 that you would like to hear about?

Mr. HERRIDGE: The assistant deputy minister is just looking up some information.

Mr. MACE: I may have it but I do not think I have, sir. If I have I will report it.

Mr. HERRIDGE: I am not speaking of female employees. In the case of other employees what are the reasons for employing any person in any branch of the department who is not a veteran?

Mr. PELLETIER: Mr. Herridge, to answer that question may I say that all our positions with a few exceptions—that is, order in council appointments, of which there are very few—are filled by the Civil Service Commission. As you well know, they are subject to the Civil Service Act which provides for unqualified preference to veterans. We always attempt to get a veteran and the Civil Service Commission helps us in this respect because they must give preference to qualified veterans. It so happens that we have been lucky in the past and, as I say, the vast majority of our employees are veterans either of world war I or world war II, more particularly of world war II. Most of our employees came into the department, as might be expected, in the few years immediately following world war II.

The CHAIRMAN: Gentlemen, if there are no more questions on Item 1, we will move on to Item 5:

5 Administration, including the expenses of the war veterans allowances Board, and grants as detailed in the estimates, \$4,097,200.

Mr. HERRIDGE: Could the witness tell us how many war veterans allowance applications were accepted for the recent fiscal year? How many were first world war veterans and how many were second world war veterans?

Mr. E. J. RIDER (*Director, Veterans Welfare Services*): I can tell you that 12,600 were received. I have taken that figure just out of my head. I cannot tell you the breakdown but perhaps Mr. Cromb could give you that information.

The CHAIRMAN: Gentlemen, Mr. Rider would like to make a statement before we proceed with welfare services.

Mr. RIDER: Mr. Chairman, it is a great pleasure to be here again with you and I would like to make a short statement about the veterans welfare services branch.

The veterans welfare services branch forms a part of each of the district and sub-district offices of the department. It is a major contact branch both in the offices and in the field where a field service is provided for all branches of the department, the Canadian Pension Commission, the war veterans allowance board, the benevolent funds, trust funds and, in special cases, for other departments. The total establishment of the branch is now 755 positions, 15 fewer than one year ago. Of these positions, 706 are in the districts including 6 for the administration of the vetcraft program. Of the 49 positions at head office, 17 administer the returned soldiers and veterans insurance program and 6 are currently in a pool used in the reallocation of positions between districts as needs occur. The remaining 26 provide program direction and control.

Although the war veterans allowance field work and processing continues to be the largest single factor of workload, and although the direct administration of benefits continues at a consistent level, the services of counselling and referral are still of major importance to veterans and their dependants. Often the most effective means of assistance can be provided, particularly to older veterans, not by the duplication of benefits available through other departments, levels of government or private agencies, but by proper counselling and

appropriate referral. To achieve this, the staff, particularly the welfare officers, must keep up to date on the resources available to them and staff training both by in-service courses and case conferences with advisers must be a continuing process.

The co-operation we receive from veterans organizations, public and private agencies, employers, benevolent and trust funds, continues to facilitate greatly the work we do and is worthy of appreciation.

During the past year activities continued at a high level. Some 12,600 applications for war veterans allowances were processed compared with about 13,000 for 1962/63. The maintenance of accounts required a higher level of activity by field officers. Some 19,700 recipients of W.V.A. received assistance from the assistance fund, almost 1,400 more than in 1962/63, and 92 per cent of this assistance was made in the form of continuing monthly grants.

Although we expect about 1,000 trainees under the children of war dead (education assistance) act this year, the intake is expected to be slightly lower than a year ago. The peak year of intake was reached in 1961/62. During the past year, 43 students continued to receive benefits under the extension provision.

The intake for this year is not complete yet so all I can tell you is that so far this year 34 applications for extensions have been received. Twenty-seven of them already have been approved by the minister and the balance are in process.

This act continues to provide vital assistance to a worthy group of young people.

The trust funds continue to work in concert with the benevolent funds to deal with emergency cases which are beyond the means of any one fund to achieve a solution, which often, 3 or more sources must be tapped to provide. This type of coordinated effort is indispensable.

Mr. Chairman we shall try to answer any questions which may arise during the consideration of these estimates.

The CHAIRMAN: Thank you very much, sir.

Mr. CHATTERTON: I would like to put a question to Mr. Rider.

To what extent are the Veterans' Land Act field men used for your field investigations in respect of welfare services?

Mr. RIDER: Sometimes we help one another but, generally speaking, not too much. The Veterans' Land Act officers are highly trained in their own areas. My welfare officers are highly trained in their areas. There is a limit to what you can expect any one man to absorb in counselling him, and apart from general counselling and referral of cases to one another we do not do very much of one another's work. But, we try to cross refer cases where needed.

Mr. CHATTERTON: Am I correct that in Alberta your field work is carried out by the V.L.A. field men?

Mr. RIDER: On occasion.

Mr. CHATTERTON: But, not regularly?

Mr. RIDER: No.

Mr. McINTOSH: Why was the district services administration transferred from this branch?

Mr. RIDER: The district services never were in this branch.

Mr. McINTOSH: Well, they were under item 5, and I presume that was the same vote before.

Mr. MACE: This is not so. District services administration was always a separate vote in the past. It always has been separated from welfare services.

Mr. McINTOSH: But it came under item 5.

Mr. MACE: No, it was a separate vote. It just happens that this number happens to be item 5. But, there has been a general re-numbering and re-grouping of the votes into these main program areas. This was the recommendation of the public accounts committee. I must admit it has made things very confusing for comparative purposes, and it is confusing our work today when dealing with these individual items.

I would suggest, if you have a particular interest, you will find this through the sub item of these main items.

As I pointed out, item number 1 really covers departmental administration, which is head office administration. The district services administration and veterans bureau are both in item 1. We will have to watch this so we do not pass an item which may include a subject on which you wish to put questions.

Mr. McINTOSH: My concern is the reason it was done. Did you say that was on the recommendation of public works?

Mr. MACE: No, the public accounts committee.

Mr. McINTOSH: It was the committee, was it?

Mr. MACE: Yes. The public accounts committee had to approve the recommendation. This was subsequent to a study by treasury board.

If I could explain further, there is a new concept of financial management developing, primarily as a result of the Glassco commission recommendation, and the trend is toward program budgeting. As a result, the fiscal arrangements of different departments are being reorganized into programs, and this is the first step that the treasury board took. They regrouped the estimates as they were previously into main program areas. Of course, the main items are detailed on pages 496 and 497 and the details of what is in there is shown on the subsequent pages. I must say this is rather confusing.

Mr. HERRIDGE: Mr. Chairman, in view of this, I suggest it would be helpful if the deputy minister indicated when the item came up what it covered.

Mr. McINTOSH: There are only two changed, item 5 and item 35.

Mr. MACE: No. As a matter of fact, they all have been changed. I could tell you what is in the different items. I think as you approach each item as Mr. Herridge has suggested, it would be helpful if we then delineated what exactly was in that item. I think this would provide useful information.

Mr. HERRIDGE: It would be very helpful. What methods do you use now to notify applicants for various services or organizations of the visit of one of your field officers into a particular district.

Mr. RIDER: This varies. It depends on the part of the country. In areas where welfare officers go less frequently or where population is more scattered there often are notices in newspapers and announcements on radio advising of the visits of officers. Notification is made through local district offices and different veterans' organizations before the welfare officer goes out on his trip.

Mr. HERRIDGE: And that information gives the dates the field officer will be present?

Mr. RIDER: Yes. In some areas of Canada this is not done at all because the ability to make contact is much simpler; veterans organizations are much closer together. There are more N.E.S. offices and the veterans go to these places. The officers call at the N.E.S. offices or the legion branch and ascertain that certain people wish to see them, and then they go out to see them. Wherever possible, if a veteran writes in, an effort is made to make a specific appointment with him in a specific place, either at his home or some central point where a number of veterans may be meeting to see the welfare officer.

Mr. HERRIDGE: What is the mileage allowed at the present time for the travelling expenses of these officers?

Mr. RIDER: The mileage allowances at the present time are basically 10 cents per mile for the first 8,000 miles. This in Newfoundland is 12 cents a mile. All mileage in excess of 8,000 miles in one year is eight cents a mile, and in Newfoundland 10 cents a mile. In addition to this, an additional allowance of one cent a mile is paid for the first 5,000 miles, in any year, travelled on government business where the employee who is using his own automobile has third party liability insurance of at least \$100,000 in respect of any one accident. Employees travelling in the Yukon or the Northwest Territories operate on 15 cents a mile. Any other travel, other than that done by welfare officers, where normally public transportation could be used but is not quite as effective, is paid for at a rate of 4½ cents a mile.

The CHAIRMAN: Is there no further question on veterans' welfare services? I understand there are other items on page 502 to be dealt with. We will allow Mr. Rider to complete the items in which he is interested at the top of page 502.

Mr. HERRIDGE: For the information of members of the committee could Mr. Rider explain the co-operation that exists between other federal departments and any provincial departments in dealing with welfare services?

Mr. RIDER: Yes, sir. There is co-operation at all levels of the branch. We co-operate very closely with the national employment service, for example, here in Ottawa. At the district level the district superintendent will co-operate with the local national employment service officers, veterans' organizations and private and public organizations, provincial government organizations and municipal organizations. For example, in Ontario, in the London office in the next few days there will be a course given for officers from the national employment service offices in that area, a refresher course to reacquaint them with what is done for veterans, so that when a veteran goes to see them they know what we do and they can give general counselling. If that is not sufficient then they can make an appointment with the welfare officer. The individual welfare officer is expected to be a knowledgeable individual in that we expect him to know not only what our department can do for the veteran but what any other federal department can do for them, what the provincial government can do for them in the fields of social welfare and what the municipal government and other private agencies can do for them. For example, a welfare officer will work very closely with schools concerning children under the educational assistance act. They will work with private agencies in their local areas. If there is a specialized agency, say, for family counselling, they will work with them. If the welfare officer runs into a difficult family problem, he will refer the case to the local agency which can see the veteran at any time, whereas the welfare officer might only be able to see him each two weeks or even less frequently. We try to make use of all the agencies there are. We accept the fact that many of these agencies are more knowledgeable than we are in dealing with these problems, and wherever we can use someone better qualified than ourselves to help solve the veteran's problem, we do so, whether it is a private, public, municipal, provincial or federal agency. This means that we must keep a good liaison constantly alive. The individual welfare officer in the field will, on occasion, meet a provincial welfare officer, and they will refer cases to one another, they will trade cases. Where the welfare officer has run across a veteran who may not be eligible for the war veterans' allowance but is eligible for provincial benefit, he will refer the case to the provincial officer to assist the veteran in getting the provincial benefit. On the other hand, if a provincial officer runs across a veteran who is eligible for war veterans' assistance, this officer will refer him to our welfare officer to assist the veteran in getting the W.V.A. There is a very close working relationship.

Mr. McINTOSH: Could you also tell the committee whether you have seen any change in the functions of your branch over the past few years? What problems do you run up against now that you have not run up against before, and what problems have you eliminated?

Mr. RIDER: Yes, there is a constant change. Social welfare would die if it did not constantly change. There is a constant change in the provisions relating to social welfare benefits in the provinces. There is a constant change in the field of education, and we have to keep very close to this because of the children who study under the Children of War Dead Act. There is a constant change in the veteran population. We are all growing older and we foresee that in a few years assistance to aging veterans is going to be a prime part of our job. There will not be so many cases applying for the re-establishment credit, or for vocational rehabilitation assistance. It is a question of assisting older veterans to grow old gracefully.

Mr. HERRIDGE: You can help me on that.

Mr. RIDER: Through the utilization of the W.V.A. and the assistance fund we are trying to keep the man in his home community by getting him interested in some activity in his community because we feel he will be happier among the people with whom he has lived all his life than, for example, in one of Dr. Crawford's institutions. We expect this to gain momentum over the next 10 or 15 years.

Mr. FLEMING (*Okanagan-Revelstoke*): May I ask what is the ratio of welfare officers to the number of recipients of the war veterans' allowance?

Mr. RIDER: There are about 83,000 recipients of the war veterans' allowance, and we have about 240 field welfare officers. The case load, if it is looked upon as a case load, is quite a high one because the welfare officer who goes out into his area does not only handle one thing, he must handle all things that come up in that area. However, the war veterans' allowance type case is normally a case which needs a lot of concentration when the veteran has some particular problem at some particular time. He may then go on for a year or two without any particular problem.

Mr. FLEMING (*Okanagan-Revelstoke*): Is the number of allowance recipients that come within the jurisdiction of any one officer too great to permit an officer to perhaps make some spot calls just to see how the veteran is getting along? I am speaking of cases of which the department does not hear and which the welfare officer has no opportunity to follow up on a voluntary basis. Would that be so?

Mr. RIDER: We do not stipulate that this will be done. We know very well that many of our welfare officers do it because of their interest in the recipients and their interest in the job, in an attempt to do a little preventive work. They know best the cases where this is required.

Mr. FLEMING (*Okanagan-Revelstoke*): But perhaps the case load that they carry is too heavy and does not permit a wide practice of this kind. Is that right?

Mr. RIDER: The case load is heavy. We have to consider the amount of travel which the welfare officer has to do. One officer may have a case load of 500 W.V.A. recipients in his area and another one may have only 350. This does not mean a mal-distribution of work; it means that maybe one officer has to travel 18,000 miles a year and another may travel 8,000 miles a year.

Mr. FLEMING (*Okanagan-Revelstoke*): I realize this. What I am endeavouring to arrive at is whether you could say that a single officer is endeavouring to carry more cases now or fewer cases than formerly, and what trend do you see? Do you see the case load increasing, do you have a sufficient increase in welfare officers to be assured that the veteran is having adequate service, or do you feel the situation is satisfactory, is likely to become less satisfactory, or has it been more satisfactory than in the past?

Mr. RIDER: The welfare officer is definitely carrying more cases now because in the past he had more statutory work to do; such as taking applications for re-establishment credits, and such work. As the number of war veterans' allowance recipients and assistance fund recipients goes up, the case load as such becomes larger. I think in the main, at the present time, a reasonable service is being provided. In long range planning, it has been my view that for the next five years there will not be very much of a change in that load. I mentioned 12,600 war veterans' allowance applications; this represented a net increase of 2,500 war veterans' allowance recipients across Canada, because as some come on others go off. After that five years I foresee a steadily growing work load which will require more staff than we have at the present time.

Mr. FLEMING (*Okanagan-Revelstoke*): In the course of their work, do your welfare officers make any comparative studies of the position of war veterans' allowance recipients living in small towns and rural areas where living may be considered a little cheaper than for those living in large metropolitan areas where living conditions are not as easy in terms of goods and services. What do your records show in this regard?

Mr. RIDER: As applications are taken for assistance fund help constantly this is being considered, and the help is granted on the basis of whether the income the individual has meets the basic cost of shelter, food, clothing, and so on. As a result, constantly we are getting figures which show what it is costing the applicants for these things. By these figures we know the extent to which the assistance fund is being used, and when and where adjustments should be made.

Mr. FLEMING (*Okanagan-Revelstoke*): Can you say how the war veterans' allowance recipient in the large urban area compares with the recipient living in the smaller or rural area in respect of the difficulty of the problem?

Mr. RIDER: I think basically the recipient living in the smaller rural area has more opportunity, to do things to help himself, such as to have a garden where he can grow some things for himself and sometimes buy from the producer at first hand rather than having to go through the normal processing channels which increases prices. I do think that basically the city dweller has a higher level of need than the rural dweller.

Mr. FLEMING (*Okanagan-Revelstoke*): Have your welfare officers given any particular consideration to a possible program within the department which would take into account the special circumstances of the recipient in the urban area in an effort to perhaps alleviate some of the difficulties encountered by him compared to others?

Mr. RIDER: This is the purpose of the assistance fund.

Mr. FLEMING (*Okanagan-Revelstoke*): I realize that, but it is simply money; I know that is very important, but it goes further.

Mr. RIDER: The welfare officer goes beyond money. To obtain money is only one thing. Many efforts are made at financial counselling in an effort to show people how to best use their money. Possibly this is much more applicable in the urban area than in the rural area.

Mr. FLEMING (*Okanagan-Revelstoke*): Are there enough welfare offers to provide this counselling on a continuing basis?

Mr. RIDER: I believe there were some 83,000 investigations and visits in respect of war veterans' allowance cases last year. I know this looks as if we have seen every one; this is actually not the case, because there are special cases where sometimes we have to see a man half a dozen times in a few months. Generally speaking, however, I think they keep up pretty well with this work.

Mr. FLEMING (*Okanagan-Revelstoke*): Your welfare officers must be pretty busy men.

Mr. RIDER: They are. As I think I said last year, we expect the welfare officer when he is in the field to work about a ten hour day.

Mr. HERRIDGE: Dozens of the veterans in the larger centres in my riding have been advised to move out of town into smaller areas and they have found this to be very successful. I would suggest to every member that he urge the welfare recipients to do the same thing.

Mr. RIDER: Sometimes it is hard to change the stripes of a tiger; a city dweller often does not like to move.

Mr. CHATTERTON: Do you have any figures with regard to the number of war veterans' allowance recipients who are in the unemployable category and who have dependant children? I am thinking of the war veterans' allowance recipient who is unemployable and who has three or four children where the maximum of the assistance is still only \$30. Do you have any figures with regard to the numbers of such veterans?

Mr. RIDER: I do not have these figures with me, but I will endeavour to obtain them.

Mr. CHATTERTON: I know of cases where there is severe hardship because the assistance fund is \$30 maximum regardless of the number of dependants.

Mr. RIDER: Often in these cases we try to get additional help over and above this through provincial benefits.

Mr. CHATTERTON: But the province cannot assist them in many instances.

Mr. RIDER: This varies between provinces. In some provinces the rates are higher than in others.

Mr. CHATTERTON: I would appreciate having even an approximation of the number of such cases where dependants are involved.

Mr. RIDER: I will obtain that for you.

Mr. PELLETIER: Mr. Rider is responsible for items other than those shown in item 5. I might mention these and members could tick them off and then ask him questions in respect of them. After you have completed those questions, Mr. Rider could return to the office in order to keep the home fires burning.

The first item is on page 502 at the bottom of the page which, I suppose in a sense, we have been discussing. At the top of page 502 there are the two items: grant to army benevolent fund and grant to Royal Canadian Legion. Then on page 504 at the bottom there is the item starting with the words: "repayments in such amounts as the Minister of Veterans Affairs determines", and above that, veterans benefits. Then we move to page 505 where at the bottom of the page there are the two statutory grants, "war service gratuities, and re-establishment credits". Finally, at the top of page 506 there is the item "statutory—repayments in such amounts", and so on. I think that is all. I believe those are the items in which Mr. Rider has interest.

Mr. CHATTERTON: In respect of the veterans re-establishment credits, how many veterans have not used their re-establishment credits?

Mr. RIDER: At the 31st March, 1964, there were 62,343 accounts not yet closed. This does not mean they have not used some of the credit, but there is that number of accounts with a liability of \$9,116,922.

Mr. CHATTERTON: Do you have any idea how many of those have been qualified under the Veterans' Land Act and possibly for that reason are not drawing it?

Mr. RIDER: They would not be included in these figures.

Mr. CHATTERTON: If they are qualified would they not be included in that sum?

Mr. RIDER: If they have a qualification certificate they would not be included.

Mr. CHATTERTON: What effort is made to acquaint these people with their entitlement?

Mr. RIDER: Constant efforts have been made over the year. In the last few years, practically every veteran having a balance was contacted, either personally or through the mail. Last year the expenditures reduced very considerably over the previous year.

Mr. McINTOSH: What degree of success did you have in these contacts?

Mr. RIDER: Reasonably good, but we ran across many cases where a veteran would say "I know it is there but I have not made up my mind yet".

Mr. McINTOSH: Have you run into any cases where the veteran is deceased, and if so what happens to the fund?

Mr. RIDER: If the veteran is deceased, the re-establishment credit can be used by his widow or children, or if neither the widow nor the children are living, then under certain circumstances the dependant mother who had been dependant on her son during his lifetime would have the benefit of it.

Mr. PILON: We received the financial statement, but I do not have it with me and I am wondering whether you could tell us the amount in the statement with regard to the army benevolent fund?

Mr. MACE: As at March 31, 1964, the figure is \$5,781,000.

Mr. CHATTERTON: When would the last payment be made under the benevolent fund? The fund would be expended at a certain time.

Mr. MACE: Oh, this was the actuarial period. I think it was for 50 years in all, was it not? Perhaps Mr. Black could give you more details about it, if you wish.

Mr. C. F. BLACK (*Departmental Secretary*): The original plan was that the plan which started in 1947 would be used over a period of 50 years. The expenditures during the first 30 years were to be about \$473,000 on the average; that would leave only a small amount for the last 20 years, when they felt that the need would be much less.

Mr. CHATTERTON: Have you the position with respect to the navy and air force funds?

Mr. BLACK: I do not have those figures. They are handled independently, not by an act of parliament.

Mr. HERRIDGE: What is the typical type of application for assistance under this fund? Has it changed over the years?

Mr. RIDER: No. I think the basic requirement is the same. The basic needs are the same. One of the problems with the army benevolent fund, or with any other fund for that matter, is that financial problems are getting greater. Whereas the army benevolent fund used to be able to handle a problem with the \$200 which it could grant, this happens less frequently now. Very often we have to get the army benevolent fund plus one or two, or sometimes three other funds to work together to achieve a reasonable solution to a man's problem. This is where we use the Canadian Pension Commission fund, private funds, public funds, and other fund sources we know of. I am thinking of the legion and the other veterans organizations. We try to get all data together to work out a plan, first of all on what the man's problem is, and how much money he needs. The army benevolent fund people can take his liabilities and figure out for us how much we need.

We then decide what we want from the army benevolent fund, and so on. This is the main or major factor or change, the need for a concerted effort by a number of funds. This we try to co-ordinate in the welfare services.

Mr. LANIEL: Would this mean that the tendency would be for this fund to need an increase in grants, because of increasing needs, and as the funds go down?

Mr. RIDER: No. These funds I am talking about are not necessarily public moneys at all.

Mr. LANIEL: I know, but you get services from them in co-operation with the work, do you not?

Mr. RIDER: Yes, but these are generally trust funds which have been left, and these are used until there is nothing left. It is helpful occasionally when a new fund comes in that we can use again. But there are normally no grants to these funds to increase the funds. I think the grant for the army benevolent fund is one for administrative assistance.

Mr. LANIEL: And there is no grant for the air force fund or anything?

Mr. RIDER: No.

Mr. MACRAE: The grant to the Canadian Legion is \$9,000. How long has it been at that particular figure?

Mr. MACE: Ever since 1933, when it was reduced from \$10,000 to \$9,000, when there was a 10 per cent reduction applied to many government expenditures at that time.

Mr. MACRAE: Has there been a request for an increase in that grant over the past years?

Mr. MACE: No, sir.

The CHAIRMAN: Are there any other questions on item 5? There is one item on page 501, the war veterans' allowance board. Mr. Cromb is here today, and he might discuss it with you.

Mr. McINTOSH: May we have an explanation of the increase on page 506 from \$145,000 to \$155,000 under war service gratuities? We notice there is an increase from \$145,000 to \$155,000 on page 506 under statutory war service gratuities, and re-establishment credits. Why is there an increase in this one particular item?

Mr. RIDER: This is because of a repayment of the re-establishment credit where the credit has been exhausted and repaid by the veteran to settle under the Veterans' Land Act, and the settlement is not effective. Under this item we pay back to the veteran the amount he had paid in cash, this is the amount we have been spending. We feel that we shall need more this year than we did last year.

Mr. McINTOSH: On page 505 there is a decrease in war service gratuities and re-establishment credit. Do you feel there is not going to be as large a demand this coming year?

Mr. RIDER: That is right. I mentioned under re-establishment credits that the expenditures have dropped considerably from about \$900,000 in 1962-63 to about \$353,000 in 1963-64. It may be that while it has now dropped, at a later date it will increase again very rapidly. These figures are based, of course, on the trend of expenditures that we are having.

The CHAIRMAN: Thank you, Mr. Rider. Now, Mr. Cromb.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, I wonder if I might have permission to table the material which I have distributed; it consists of a table showing the number of recipients of war veterans' allowance, by wars, on strength as at March 31, 1964, with the total annual expenditure, and also a table showing number of recipients of

civilian war allowances, by wars and by categories on strength as at March 31, 1964, with the total annual expenditure. May I have your permission to do this?

The CHAIRMAN: Agreed.

Mr. HERRIDGE: These will be included in the minutes?

The CHAIRMAN: That is right.

Mr. CROMB: The tables read as follows:

Table Showing Numbers of Recipients of War Veterans
Allowances, by Wars, on Strength as at
31 March 1964
With Total Annual Expenditure

	Veterans	Widows	Sec. 5(1)	Orphans	Total
N.W.F.F.	2	27	—	—	29
South Africa	383	464	28	—	875
W.W. I	40,267	21,788	1,276	93	63,424
W.W. II	13,154	2,423	272	185	16,034
Dual Service	1,223	368	29	4	1,624
Special Forces	129	7	—	4	140
Section 4	22	1	—	—	23
Totals	55,180	25,078	1,605	286	82,149
Annual Expenditure: \$82,285,504.17.					

Table Showing Numbers of Recipients of Civilian War
Allowances, by Wars and by Categories
on Strength as at
31 March 1964
with Total Annual Expenditure

		Civil- ians	Widows	Sec. 5(1)	Orphans	Total
Voluntary Aid Detachment,	WW I	4	—	—	—	4
Merchant Seamen	WW I	148	45	3	1	197
Merchant Seamen	WW II	393	87	11	1	492
Canadian Fire Fighters	WW II	6	1	—	—	7
Welfare Workers	WW II	3	—	—	—	3
Trans-Atlantic Air Crew	WW II	—	—	—	—	—
Newfoundland Foresters	WW II	130	17	1	2	150
Civilian War Pensioners	WW II	4	1	—	—	5
Totals		688	151	15	4	858
Annual Expenditure: \$921,593.63.						

I do not propose to make a lengthy statement, but I would like to make a very brief one. Not long ago, of course, I had the privilege of appearing before you. But very briefly I might give you an explanation of the task for which I am responsible.

The war veterans' allowance board is a statutory body and it reports to parliament through the Minister of Veterans Affairs. Members of the board are appointed by the governor in council. The board is a quasi-judicial body, and it is independent so far as its decisions are concerned. The board is charged with the responsibility of administering legislation contained in the act and regulations. The minister is charged with administration of the act. At the present time the board consists of 6 members, all of whom are on salary. There are also two other members appointed by the governor in council who are not on salary.

These are the deputy minister of the Department of Veterans Affairs, for the purpose of liaison with the department, and Mr. D. M. Thompson, Dominion secretary of the Royal Canadian Legion who also serves as a member without remuneration.

The group which I term the full board, consists of the salaried members plus those two non-salaried members, meets on matters of policy from time to time. The work on files and appeals are handled by the salaried members, and they work regularly on this from day to day.

There are 19 district authorities established throughout the country, which includes the foreign countries district authority which is established in Ottawa. All the members of the district authorities are employees of the Department. The board directs the policy and has functional control over the district authorities.

As you will have gathered from Mr. Rider's remarks, his people do all the work for the board in the matter of investigations.

I would like to digress for a moment and say that Mr. Paul Cross, the deputy chairman of the board, is with me and both of us will try to answer any of your questions.

May I just answer one question? Mr. Herridge asked for information. That information is contained in the annual report which will soon be coming out. Mr. Herridge, you asked for the number of approved applications across the country; I can give it to you by wars. There were 3,590 which were approved from world war I and the South African war; 3,833 applications were approved from world war II and the Korean special force; 139 dual service veterans were approved; 1,289 commonwealth and allied forces veterans were approved. This gives a total number of 11,904, which also includes 2,987 widows and 66 orphans. This information is in the annual report, but I thought you might wish to know it at this moment.

You might be interested to know that this is the first time in the history of the war veterans' allowance board—which is now in its 34th year—and particularly since world war II that the number of applications for world war II recipients is greater than the number of applications for world war I. That is due to the ravages of time. The world war I veterans are still coming along, but at a greatly reduced rate, and the world war II veterans are beginning to appear in a more marked degree.

Mr. McINTOSH: Can you break down that figure of 1,289 commonwealth and allied services into those who saw service in world war I and those who saw service in world war II?

Mr. CROMB: No, I do not have that information.

Mr. McINTOSH: It seems to be almost one third of the world war II Canadian applications.

Mr. CROMB: These are veterans who have spent 10 years in Canada. That may be the reason. It may be that a number of them are reaching their 10 years residence in Canada just now, and that qualifies them on the residential requirement.

Mr. HERRIDGE: Do you ever have any trouble in ascertaining that a person who applies for war veterans' allowance has actually served in an allied force?

Mr. CROMB: In the cases of veterans of the Russian forces of world war I and of Polish veterans who served in the Polish forces in world war II it is very difficult at times because in many cases their documentation has been lost. We do the best we can with the evidence available, taking the full statement of the man concerned and endeavouring to find out if it has the ring of truth. We also take statutory declarations from two comrades who are com-

petent to certify that he has served in a theatre of actual war. However, endeavouring to verify this is difficult and causes quite an amount of work, but in these cases we do give the benefit of the doubt.

In some cases I have been able to form a fairly serviceable liaison with a Russian veterans branch in Montreal which has been very helpful, and there are various ways in which we explore the accuracy of these statements—through the international Red Cross, and agencies like that. We do endeavour to ascertain in these ways whether or not they are eligible.

Mr. McINTOSH: Is it possible to break down the figure to which I referred a moment ago into commonwealth applicants and other allied forces?

Mr. CROMB: I am not sure whether this ties in, but I have a note here which states that 6,802 veterans and 3,651 widows of veterans of commonwealth forces are recipients.

Mr. McINTOSH: Six thousand odd? But the figure you gave us was only 1,200 altogether.

Mr. CROMB: I beg your pardon.

Mr. McINTOSH: The figure about which I am talking is the 1,289 figure.

Mr. CROMB: What I gave you was what Mr. Herridge asked for with regard to applications during the current year. If it is helpful to you I can give you the number of recipients at the present time. The number at the present time is 82,149 as of March 31, 1964. That represents an increase of 2,329 during that fiscal year and it includes 6,802 veterans and 3,651 widows of veterans of commonwealth forces. It includes also 1,670 veterans and 380 widows of veterans of other allied forces.

What I gave you before was the applications for which Mr. Herridge had asked.

Mr. LANIEL: For one year?

Mr. CROMB: For one year, yes.

Mr. CHATTERTON: There is obviously an anomalous situation with regard to merchant seamen who may be ineligible even though they live in Canada.

Mr. CROMB: Part 11 of the Civilian War Pensions and Allowance Act is just for Canadians or those who were domiciled in Canada.

Mr. CHATTERTON: Have you had applications for allied merchant seamen who have been here for 10 years and found they were ineligible?

Mr. CROMB: No, there are very few. It was never generally publicized that they would be eligible. This is just for Canadians and those who have served in Canadian ships.

Mr. CHATTERTON: Would the colonel not say that this is an anomalous position whereby Her Majesty's and allied forces are eligible if they have lived in Canada for 10 years, and merchant seamen are eligible but not allied forces seamen.

Mr. CROMB: The only thing, Mr. Chatterton, is that the Civilian War Pensions and Allowances Act was designed originally for Canadians; and Part II which the war veterans' allowances board administers, was tacked on to it.

Mr. CHATTERTON: Let us hope that is one of the proposed amendment the minister will bring forward.

Mr. McINTOSH: I concur.

Mr. CHATTERTON: Mr. Chairman, I think I should say that in my experience the war veterans' allowances board is generally well considered by veterans organizations—and I can say that for all of the members.

The CHAIRMAN: Thank you.

Mr. McINTOSH: May I ask the colonel for an opinion? He does not need to give this if he does not wish to do so.

Have you any formula that you apply at the present time to warrant an increase in the amount of money a recipient of war veterans' allowance is allowed to earn because of the increased cost of living? I do not know how much it has increased since the last ceiling was raised, but maybe you have those figures in your file. In other words, should we as a committee recommend that there should be an increase in the ceiling that the recipients of war veterans' allowance should be allowed to earn.

Mr. CROMB: That is studied from time to time. We are not speaking of the rates or the income ceilings, we are speaking of the casual earnings?

Mr. McINTOSH: That is correct.

Mr. CROMB: The amount of casual earnings they are allowed without affecting the allowance at the present time—and this is working exceedingly well—is \$600 for a single recipient and \$900 for a married recipient in any one year. Many of them do not make that much. I am quite sure a number could make more, but if they could make more the chances are that they are possibly employable.

The act, of course, was designed for those who have reached the age of 60 and are running downhill as far as health and strength are concerned, people who are unable to compete in the labour market. The casual earnings were designed just for a number of things that a veteran of that age could do if he felt so inclined. It is completely exempt. There is the problem of the veteran under 60 who, by reason of infirmity—medically approved infirmity, or lack of strength—comes on the allowance at an earlier age. If a veteran in that category started to earn a great deal the chances are that he would not be as incapacitated as he had thought he was, and it would not be good for him to stay on the allowance if he had more useful years ahead.

I would say briefly that the \$600 and the \$900 for casual earnings exemptions is working exceedingly well, and we hear very few complaints.

Mr. CHATTERTON: Would another factor be that those who are under war veterans' allowance because they are unemployable are quite often young fellows with dependant children whereas the other recipients have no dependants, and those who are unemployable are not able to earn money and, additionally they have dependant children?

Mr. CROMB: The War Veterans' Allowance Act, of course, is only designed to take care of veterans, widows and orphans. Orphans are recipients in their own right. The income of children is completely exempt; family allowance is completely exempt; mothers' allowance, and that sort of social assistance, is exempt. Therefore, when one has a case of a war veterans' allowance recipient with a number of children, he is able to benefit by the scope of social assistance so far as the children are concerned and it is not assessed as income by the war veterans' allowance board.

Mr. McINTOSH: Have you any figures in respect of the number of applicants or the number of recipients of war veterans' allowance which have been dropped during the past year because of obtaining more remunerative employment. What I am trying to get at is this. In some cases and, as you say, not many, there have been elderly veterans who have been able to get caretakers jobs, which would not give them a complete living without the assistance of the war veterans' allowance, and because of being afraid of losing out or because of the problem they had in getting war veterans' assistance in the first place and of losing that right they hoped that they could carry on, say, for another couple of months or so. In other words, they have to lay off for a couple of months, so they do lay off.

Mr. CROMB: We have no statistics in that connection. There is quite a movement back and forth but we have no statistics of that sort. But, where a veteran has a small job, if it is continuous and if it is less than the allowance—in other words, it is a full time job but it does not pay very much—we will treat that as income and supplement him up to the ceiling. If it is less than four consecutive months it is casual and he receives the complete exemption. But, there are veterans who have small jobs which do not pay enough to live on, and we supplement them up to the ceiling. We call it income. Where it is employment of less than four consecutive months in one year, up to \$600 or \$900 is completely exempt.

Mr. HERRIDGE: Have you any idea of the number of cases you have dealt with on account of overpayment, and how you dealt with them generally?

Mr. CROMB: I do not know, Mr. Herridge. The number of large overpayments is not high; there are many smaller ones. This occurs sometimes through a man getting unemployment insurance benefits and the reporting date does not catch up in time. There are a number of small overpayments. We deal with them by taking a portion off the allowance, making sure he is not seriously crippled in respect of his income. Our task is to ensure the man has enough to live on comfortably in line with the schedules of the act, and we take off a small portion to recover. However, as I say, there are many of these little ones but very few large ones. However, they do occur and that is the way we deal with them.

Mr. HERRIDGE: In recent years—and I am speaking of the last six or seven years—I personally have found a big improvement because the field officers are very careful to warn their recipients in respect of the regulations in many cases. I found before that there were veterans who quite innocently had over-earned and did not intend to do so.

Mr. CROMB: That is correct. The counselling of the veterans' welfare services officers is exceptionally thorough and that avoids, as you mentioned, many overpayments.

Mr. CHATTERTON: Have you given any consideration to the effect on war veterans' allowance recipients of the Canada pension plan, if implemented?

Mr. CROMB: I have studied the white paper and looking at the plan as it stands now it would not affect us at the present time. Later on when the plan became operative and as the amounts of money we are paying now in respect of our ceilings are a little bit higher we would deal with that as income. We would have recipients coming on but we would not have to pay them so much in order to supplement them up to the ceiling.

Mr. CHATTERTON: But the situation would be different as you approached the 10-year period?

Mr. CROMB: Yes, it would come to the point where it would not cost so much. But, as long as we have a ceiling a little above that, the veterans will come on and be supplemented to our ceiling.

Mr. CHATTERTON: Is there no indication that income from a pension under the Canada pension plan might be considered as an exemption?

Mr. CROMB: No.

Mr. CHATTERTON: So that Canada pension plan contributions would be compulsory and it might happen that after a ten year period the veteran becomes ineligible for W.V.A. because he has contributed to the Canada pension plan.

Mr. CROMB: Under our act and regulations of course, it is obligatory to count all income. What you are suggesting is very similar to the case of a civil servant on a very small superannuation or an ex-railway worker on a small railway superannuation. We count that as income.

Mr. CHATTERTON: In the case of civil servants they have the option.

Mr. CROMB: I was thinking of the civil servant who retired many years ago, around 1946 or 1947, where the superannuation was very small. We do not get many like that now.

Mr. McINTOSH: Do you get many applications from veterans residing outside of Canada?

Mr. CROMB: We get inquiries, but they must apply here. When someone wishes to come to Canada and writes to the board, we send them information, such as we distributed this morning, to give them an idea of the financial circumstances in which they must be, and when they arrive here they are instructed on the offices where they are to apply. They can then make their applications. But they cannot make an application abroad.

Mr. McINTOSH: Could you give us some idea on how many inquiries you received in the past year?

Mr. CROMB: Not more than a dozen.

Mr. HERRIDGE: Could you inform the committee on how many veteran or widow recipients have returned to Canada and spent the required year here before applying for the allowance? That is one regulation that I think is a bit stiff.

Mr. CROMB: Do you mean those who are required to return to qualify? I do not know of any. Most of them do not go abroad unless they are properly qualified, that is, have lived here 12 months prior to leaving. There may be one or two such cases but they have not come to my attention.

Mr. P. B. CROSS (*Deputy Chairman, War Veterans Allowance Board*): I know of two or three husbands and wives who have returned from England to collect their allowances, but I know of no widows.

Mr. HERRIDGE: I have one in my constituency who had gone to England six months prior to the change in the law.

Mr. CROMB: I misunderstood you, I thought you were speaking of cases who had been on the allowance and had to come back to get it again.

Mr. HERRIDGE: This widow returned to Canada to apply.

Mr. CROMB: Yes, that is necessary, she has to come back to apply.

I should like to say here that allowances are being paid to 448 veterans and widows residing outside of Canada, of whom 207 are in the United Kingdom, 192 are in the United States, and the remainder in other countries, some of them as far away as India, Australia, Italy, Lebanon, and Greece. We also have one in the Soviet Union.

Mr. HERRIDGE: We are quite cosmopolitan, are we not?

The CHAIRMAN: Are there any further questions?

Mr. CHATTERTON: How many of these W.V.A. recipients are in the unemployable category?

Mr. CROMB: All W.V.A. recipients are supposed to have reached the point where they are no longer employable.

Mr. CHATTERTON: Under the age of 60?

Mr. CROMB: We have no first world war veterans under 60 of course but we have 7,007 world war II veterans who are under 60, and 131 commonwealth and allied forces veterans who are under 60. If you take widows under age 55 of world war I veterans, we still have 295. In world war II, 820 who are under 55, and 16 widows of dual service veterans and 61 widows of commonwealth or allied veterans under age 55. By the way, all this material is in the annual report.

STANDING COMMITTEE

Mr. McINTOSH: I realize this is a hypothetical question, but have you done any research in respect of applications you may receive provided the 365 day clause has been eliminated with regard to world war I veterans?

Mr. CROMB: Do you mean the Canadian veterans who served in the United Kingdom for less than 365 days?

Mr. McINTOSH: Yes.

Mr. CROMB: To the best of my recollection, something like 25,000 remain alive at the present time of those who served in the United Kingdom for less than one year prior to November 11, 1918. In doing the research we took the number of enlistments, and so on, and determined the number who remained, as best we could.

Item agreed to.

The CHAIRMAN: On item 10.

Vote 10—War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund (War Veterans Allowances) Regulations

War Veterans Allowances and Civilian Allowances

(formerly Vote 45)

North West Field Force	17,000
South African War	563,000
World War I	60,310,000
World War II and Special Force (Korea)	21,200,000
Dual Service (World Wars I and II)	1,835,000
Civilian War Allowances	1,175,000
	<hr/>
	85,100,000

	Expenditure
1961-62	\$ 75,289,722
1962-63	81,782,049
1963-64 (estimated)	83,443,100

Assistance in Accordance with the Provisions of the Assistance Fund (War Veterans Allowances) Regulations	(28) 3,875,000
	(formerly Vote 50)

	Expenditure
1961-62	\$ 2,827,168
1962-63	3,180,087
1963-64 (estimated)	3,525,000

Items Not Required For 1964-65

Vote 45d—War Veterans Allowances and Civilian Allowances—To provide effective October 1, 1963 and during the twelve-month period thereafter, that a pension paid pursuant to the Old Age Security Act be deemed for purposes of the War Veterans Allowance Act, 1952, and Part XI of the Civilian War Pensions and Allowances Act, to be \$55.00 per month

Vote 57a—To authorize payment of an allowance to Mrs. Cecile P. Arcand, widow of Louis George Arcand, a recipient of war veterans allowance, etc.

Total, Vote 10	<hr/> 88,975,000 <hr/>
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Mr. FLEMING (*Okanagan-Revelstoke*): I notice there is an increase in the South African war allowance payments in the amount of \$353,000. What is the reason for this remarkable increase in one year? The first war payments have dropped \$3 million, and the other has had a marked increase.

Mr. CROSS: Our financial experts advise me that was because of an error in the classification last year and in previous years.

Mr. McINTOSH: Mr. Chairman, would this not be a good point at which to adjourn?

The CHAIRMAN: Very well. Well, gentlemen, it is the wish of the committee that we adjourn. The next meeting will be held on Thursday, October 1, 1964, in this same room at 10.00 a.m. Notices will be sent out accordingly.

Thank you, very much.

APPENDIX "A"

WAR VETERANS ALLOWANCE BOARD

Table Showing Numbers of Recipients of War Veterans Allowances, by Wars, on Strength as at
31 March 1964
With Total Annual Expenditure

	Veterans	Widows	Sec. 5(1)	Orphans	Total
N.W.F.F.	2	27	—	—	29
South Africa	383	464	28	—	875
W.W. I	40,267	21,788	1,276	93	63,424
W.W. II	13,154	2,423	272	185	16,034
Dual Service	1,223	368	29	4	1,624
Special Forces	129	7	—	4	140
Section 4	22	1	—	—	23
Totals	55,180	25,078	1,605	286	82,149
Annual Expenditure: \$82,285,504.17.					

APPENDIX "B"

WAR VETERANS ALLOWANCE BOARD

Table Showing Numbers of Recipients of Civilian War Allowances, by Wars and by Categories on Strength as at 31 March 1964 with Total Annual Expenditure

		Civil- ians	Widows	Sec. 5(1)	Orphans	Total
Voluntary Aid Detachment,	WW I	4	—	—	—	4
Merchant Seamen	WW I	148	45	3	1	197
Merchant Seamen	WW II	393	87	11	1	492
Canadian Fire Fighters	WW II	6	1	—	—	7
Welfare Workers	WW II	3	—	—	—	3
Trans-Atlantic Air Crew	WW II	—	—	—	—	—
Newfoundland Foresters	WW II	130	17	1	2	150
Civilian War Pensioners	WW II	4	1	—	—	5
Totals		688	151	15	4	858

Annual Expenditure: \$921,593.63.

CURRENT ISSUE
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1964

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: J. M. FORGIE, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, OCTOBER 1, 1964

TUESDAY, OCTOBER 6, 1964

ESTIMATES (1964-65) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. B. Crawford, Assistant Deputy Minister; Mr. C. F. Black, Departmental Secretary; Mr. R. W. Pawley, Director, Veterans' Land Act; and Mr. T. D. Anderson, Chairman, Canadian Pension Commission.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: J. M. Forgie, Esq.

Vice-Chairman: G. Laniel, Esq.

and Messrs.

Asselin (*Richmond-
Wolfe*),
Cameron (*High Park*),
Chatterton,
Clancy,
Émard,
Fane,
Fleming (*Okanagan-
Revelstoke*),
Forgie,
Frenette,
Greene,
Groos,
Habel,

Harley,
Herridge,
Honey,
Howard,
Kelly,
Kennedy,
Laniel,
Latulippe,
Legault,
MacEwan,
MacRae,
Madill,
Martin (*Timmins*),
Matheson,

McIntosh,
Millar,
Morison,
O'Keefe,
Otto,
Patterson,
Pennell,
Pilon,
Pugh,
Rock,
Temple,
Thomas,
Webb,
Weichel—40.

(Quorum 15)

M. Roussin,
Clerk of the Committee.

REPORT TO THE HOUSE

TUESDAY, October 6, 1964

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Pursuant to its Order of Reference of Tuesday, September 22, 1964, your Committee has examined the Main Estimates and the Supplementary Estimates (A) for 1964-65 relating to the Department of Veterans Affairs, and has agreed to recommend them for adoption by the House.

A copy of the relevant Minutes of Proceedings and Evidence (*Nos. 1 and 2*) is appended.

Respectfully submitted,

J. M. FORGIE,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, October 1, 1964

(3)

The Standing Committee on Veterans Affairs met at 10.08 a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

Members present: Messrs. Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Groos, Habel, Harley, Herridge, Kennedy, Latulippe, Legault, MacEwan, MacRae, Martin (*Timmins*), O'Keefe, Otto, Patterson and Webb (17).

In attendance: From the Department of Veterans Affairs: Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. Crawford, Assistant Deputy Minister (Treatment) and Director General, Treatment Services; Messrs. J. E. Walsh, Director, Finance, Purchasing and Stores; C. F. Black, Departmental Secretary; and R. W. Pawley, Director, Veterans' Land Act; from *Canadian Pension Commission*: Mr. T. D. Anderson, Chairman; and from *War Veterans Allowance Board*: Mr. W. T. Cromb, Chairman.

Mr. Mace was called. He commented on Schedules "A" and "B" dealing with the Estimates of the Department for 1964-65, copies of which have been distributed to the members.

The Chairman informed the Committee that Votes 5 and 10 had been thoroughly examined at the previous meeting and Votes 5 and 10 were adopted.

Vote 20 was called and adopted after Mr. Anderson answered questions from the Committee.

Vote 25 was also called adopted.

Votes 30 and 35 were called, and Dr. Crawford was examined. Votes 30 and 35 were adopted.

The Committee reverted to Votes 15 and 15a, which were adopted, after Mr. Black answered questions from the Committee.

The Chairman informed the Committee that at the next meeting Votes 40 and 45 would be called and that the Committee would revert to Vote 1.

Agreed,—That, notwithstanding the decision taken on Tuesday, September 29, the Committee meet at 9.30 a.m. on Tuesday, October 6.

At 12.25 p.m., the Committee adjourned until Tuesday, October 6 at 9.30 a.m.

TUESDAY, October 6, 1964

(4)

The Standing Committee on Veterans Affairs met at 9.40 o'clock a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

Members present: Messrs. Chatterton, Forgie, Groos, Harley, Herridge, Laniel, Legault, MacEwan, MacRae, Madill, O'Keefe, Otto, Pilon, Rock, Thomas and Webb (16).

In attendance: From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. R. W. Pawley, Director, Veterans' Land Act; Mr. W. Strojich, Senior Administrative Officer, V.L.A.; Mr. Hugh Lamb, Superintendent of the Construction Division; Mr. M. G. MacArthur, Superintendent of the Property and Security Division; and Mr. W. F. Thomson, Acting Superintendent of Farms Division.

The Chairman called Votes 40, 45 and L55, and introduced the officers concerned with Veterans' Land Act. Mr. Pawley read a prepared statement and was examined by the Committee.

Votes 40, 45 and L55 were adopted.

The Committee reverted to Vote 1 and Mr. Pelletier and Mr. Mace were questioned by the Committee.

Vote 1 was adopted.

The Chairman read a Draft of the Second Report of the Committee to the House and it was adopted.

At 11.55 o'clock, the Committee adjourned to the call of the Chair.

Marcel Roussin,
Clerk of the Committee.

EVIDENCE

THURSDAY, October 1, 1964.

The CHAIRMAN: Gentlemen, we have a quorum. Would you please come to order.

First of all, I would like to call upon Mr. Mace, the assistant deputy minister, to explain to you certain matters of which he is seized.

Would you proceed at this time, Mr. Mace.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, I would like to explain to you the purpose of the two schedules which have been distributed to you. There are two schedules, schedule A and schedule B.

Schedule A lists on the left hand side the parliamentary votes which appear in the main section of the blue book. The second column represents the subvotes or, in other words, the breakdown of the parliamentary votes into the old votes as they appeared in previous years. To the right of that you will notice I have given the name of the departmental official who normally would answer questions relative to these subvotes. At the extreme right hand side I have indicated the ones which were discussed by the committee last Tuesday. I think this information will be helpful to you in establishing exactly which main vote you might wish to interest yourselves with. For example, if you had an interest in the assistance fund you would note this was a subitem of vote number 10. As you will note, vote number 10 covers the allowances and assistance fund, and this is composed of subvote 45 and subvote 50. This will give you the key in respect of where your interests may lie.

The second schedule, schedule B, which I hope you will find useful, also has been distributed to you. In this schedule we have distributed the votes in accordance with responsibility so far as the departmental officers are concerned. In this way when one of the officials is before you this schedule shows all the items which he will or should deal with, both by parliamentary vote number, which is in the centre column, and the subvote number, which is in the far column.

Gentlemen, are there any questions in respect of how you might use these two schedules? Normally we would work from schedule B because we will call one of the officials and he will deal with the various votes in which he is interested.

If I could, Mr. Chairman, I would like to mention that difficulty was experienced the other day in picking out certain items, as a result of which two items were missed in the votes which we did consider. If you would take a look at schedule B you will note that the first one is 1a, departmental administration. This is a small supplementary estimate for our departmental administration and I think it is in the amount of \$42,000. I would like to present this for your consideration at the present time.

1a Departmental administration,	\$42,000
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Mr. MACE: I do not know if you have any questions in respect of this. The purpose of this was mainly to provide us with a little additional money in our departmental administration vote to pay the fees of management consultants. I think reference was made the other day to the survey we have been subjected to. Because of this we needed a little more money to clean this account up this year.

The CHAIRMAN: Gentlemen, are there any questions?

Mr. CHATTERTON: Are these consultants officials of the civil service commission or are they outside consultants?

Mr. MACE: They are outside consultants.

Mr. CHATTERTON: Was it just the one firm? If so, could we have the name of that firm?

Mr. MACE: Yes. The firm was Woods Gordon and Company. I do not know whether or not you are familiar, sir, with the procedure but I think you will be interested in knowing that tenders were invited from a number of consultants. There was a selection process. We did not just pick a consultant and have him do the work. We invited tenders.

Mr. CHATTERTON: Did they tender on the basis of a price or on meeting certain requirements?

Mr. MACE: I would suggest both, sir.

Each one of these consultants spent a week in the department examining our organization and establishing what they felt they should do and cover in this over-all survey of financial management. They submitted a price and in accordance with how much their figure was and the service they expected to perform we made a selection.

Mr. CHATTERTON: When will this report be submitted? Has it been submitted to date?

Mr. MACE: It was submitted on June 23. That was the cut-off date.

Mr. FLEMING (*Okanagan-Revelstoke*): Have they managed to save you \$42,000 to date?

Mr. MACE: The total price was just over \$80,000. It was a six months survey. It was an excellent report, but which will take us a considerable time to implement.

Mr. CHATTERTON: Have similar surveys been made of other departments of government?

Mr. MACE: There were three other departments also surveyed at the same time. The departments of agriculture and transport were surveyed on the same basis, which was mainly in respect of financial management. There was also another survey undertaken of the department of northern affairs. However, the latter was a much broader survey and one in which other areas of administration were taken into consideration. However, out of all this they expect to bring in ground rules which will be applicable to the whole service in this particular field.

The CHAIRMAN: What was the other item which was not dealt with?

Mr. MACE: It was 15a.

The CHAIRMAN: Are there any further questions on 1a? If not, we will now call item 15a.

15a—Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act, \$45,000.

Mr. MACE: This is a supplementary estimate which Mr. Rider would have dealt with. It concerns veterans' benefits and is vote number 15a. This is a supplementary estimate. It would not be in the blue book but in the supplementation thereto.

This is an item of some \$45,000 to supplement our provision for veterans benefits. Mr. Rider would have dealt with this the other day but we proceeded too fast with that particular section.

Mr. HERRIDGE: Is this amount to meet just the additional expenses under that item?

Mr. MACE: Yes, there are two items in here. The first one is to supplement our provision for university and vocational training in respect of the retraining of pensioners, which we are permitted to do under regulation; and the \$25,000 is to provide some assistance to Canadian veterans who happen to be living in the United Kingdom. We have a departmental office in London, England. Canadian veterans deal through our office there. Unfortunately, there are very little welfare funds available to them in the United Kingdom as such. In Canada we have quite a number of welfare funds. People have donated funds. We have no small slush fund from which we can help a person from time to time and this is a provision of some \$25,000 which we will turn over to our London, England office.

Mr. PATTERSON: Is that an entirely new appropriation?

Mr. MACE: Yes, it is. For many years in the past we did have some money over there that we could use for such purpose as this. However, over the years this has been expended, as a result of which this was the only way we felt we could make some funds available to our district administrator in the U.K. in order to meet emergencies.

Mr. PATTERSON: Is this appropriation just for the year or is it a fund which may extend over a period of years?

Mr. MACE: We can pay these people up to \$10 a month. Of course, most of these people would be in receipt of some social assistance in the United Kingdom. However, as I said, we will be able through this fund to supplement their income up to \$10 a month.

The CHAIRMAN: I would like to close off items 5 and 10 if there are no further questions. As you know, these were discussed last week.

Mr. PATTERSON: Perhaps just before we leave this item I could ask one further question. Is it anticipated that this would be just for the one year or is this a fund set up that will carry on year after year until it is expended?

Mr. MACE: Yes, it is our intention to carry this on. But, this is the start and from experience we will learn what might be required from the financial point of view. But, so far as I know, the intent is to carry this on. Of course, this provision is only for our requirements for this year. We can only appropriate for one year, unless, of course, you make it a statutory item.

Item agreed to.

The CHAIRMAN: Shall we carry both votes 5 and 10?

Mr. CHATTERTON: At the last meeting I asked if we could obtain information in respect of the number of W.V.A. recipients from the unemployable class who have dependant children. Were you able to get that information?

Mr. MACE: The official who could give that information is not here today. However, I do not think he has obtained this information yet. This will take us a while.

Items 5 and 10 agreed to.

The CHAIRMAN: Our next item appears on page 506. It is item 20, under "pensions".

20 Administration, \$2,634,300

Mr. HARLEY: What is the situation in respect of item number 15?

The CHAIRMAN: We are coming back to that later. We have not touched upon that yet.

Mr. MACE: If I might explain, this is one of the problems. Doctor Crawford is here today. He has an item in vote 15 and he will deal with that. Then,

there is another remaining item in vote 15 which Mr. Black will deal with. It is rather difficult to clean these items up. However, I understood from the Chairman on Tuesday that Mr. Anderson would handle all the matters relating to his interests at the present time.

The CHAIRMAN: Gentlemen, are there any questions in connection with item 20, administration?

Mr. HERRIDGE: I was going to ask Mr. Anderson if he could explain to the committee the present arrangement for appeal board hearings, for instance, in the country: I am thinking of British Columbia. How frequently would members of the commission visit interior parts?

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Normally once a year in the interior. We try to do what appears to be necessary to keep these appeals reasonably well up to date. Normally they go only once a year to the interior. However, if there are any large number of cases pending we go more frequently. As I say, normally it is once a year. Once a year has been sufficient in recent years.

Mr. HERRIDGE: But suppose you had one or two cases in the interior, would you call these men into Vancouver, for instance?

Mr. ANDERSON: Yes. If the time ever comes when we find there are only a relatively few cases to be dealt with annually we probably will stop sending boards into the interior and will call them all into Vancouver.

Mr. HERRIDGE: And, I suppose in that connection their expenses would be paid?

Mr. ANDERSON: Yes. I want to point out one or two things. I do not want to make a long speech, just one or two highlights. First of all, I think it is significant that the total annual liability for pensions has gone down substantially, as you notice over at page 507. However, that is for pensions. The salary costs have increased as shown in the administrative column on page 506. Of course, the reason for the increase in the salaries appropriation is that these were increased last year. The number of personnel—that is, our total establishment—has decreased. But, owing to the fact that salaries generally were increased the cost has gone up slightly.

The only other item which I think has increased is office stationery and supplies which, of course, results from just the normal increase in the cost of these materials.

Also, it will be interesting to you to know that the total number of pensioners—that is, the total number of people who are drawing pensions—has decreased slightly. It decreased a little last year and decreased again this year. This may or may not be a trend. However, the fact that it has happened two years in succession may indicate we are finally over the hump and going down hill.

Mr. Chairman, I think that is all I wanted to draw your attention to particularly, but if there are any questions in respect of any items in the estimates we will be only too glad to try to answer them.

Mr. CHATTERTON: Mr. Chairman, I have a general question. Are you satisfied with the benefit of the doubt provisions in the present legislation and are you satisfied that it is being generously implemented by the commission?

Mr. ANDERSON: Yes.

Mr. CHATTERTON: I receive more letters in respect of complaints concerning decisions of the commission than any other matters with regard to veterans' affairs. I think in some cases this is because the applicant is not made fully aware of the reasons for the decision. He receives a letter which is cold, hard and sometimes difficult to understand. Have you considered perhaps having the pensions advocate call in the applicant to explain the reasons for the commission's decision?

Mr. ANDERSON: Well, this is something which the advocate can do if he desires, even now. Normally we would not direct him to do that because we have no authority to do so. But, in respect of giving reasons for our decisions, the applicant invariably receives a copy of the decision which contains all the reasons, and if he is not satisfied with the reasons contained therein he can write and ask for more complete information and we will be glad to provide them. So, there is no real problem there. If he really feels that the reasons as outlined in the actual decision are not sufficient he can write and ask for more details if he wants them, and we will be only too glad to supply them.

Mr. HERRIDGE: Have you any idea of the percentage of appeals against decisions of the commission on the basis of the benefit of the doubt clause?

Mr. ANDERSON: There is a very large percentage, particularly in the case of world war I claims. I would say 70 to 80 per cent of the world war I claims are granted now under the provisions of the benefit of the doubt clause.

Mr. MACEWAN: I would like to put a question in respect of the work load on the commission at the present time. Is this work load heavy? In other words, are there many cases which the commission is now examining which are awaiting a decision? Could you give us some particulars in that connection?

Mr. ANDERSON: Mr. MacEwan, the number of claims being dealt with is quite large but over the years the figure has remained fairly constant. For instance, in 1951 we dealt with 41,717 claims. In 1963-64—and the year is not over yet—we estimate we will deal with something of the order of 50,000 or so. So, you will note there is only a small variation. The work load remains fairly constant over the years.

Mr. HARLEY: I have a question along the same lines. Could you tell me how many of those claims would be new, how many would be reboards and what would be the number of old claims reopened?

Mr. ANDERSON: Of course, each applicant, in the case of world war I, or the regular force, has an opportunity to come back three times to us, the first and second hearings, and then the appeal. However, world war II and Korean veterans can come back as many times as they wish, if they produce new evidence. Many of those mentioned above will be renewal hearings. This figure represents the total number of decisions made.

Mr. HARLEY: Are you getting many new claims now or are most of them old claims?

Mr. ANDERSON: Yes, amazingly enough we do get a substantial number of new claims each year.

Mr. HERRIDGE: And, are these from world war II in most cases?

Mr. ANDERSON: Yes, but we still get new claims from world war I veterans. As recent as last year we were still getting claims from world war I veterans who were applying for the first time for gunshot wounds. It is amazing but it is happening.

Mr. PATTERSON: I am in a position to make the same observation as Mr. Chatterton did a few moments ago in respect of complaints received from veterans, and most of them have to do with decisions handed down by the commission.

Do you feel the regulations under which you must operate are flexible enough to give consideration to and make a decision on the merits of the individual case rather than looking at it just as an application of stringent rules and regulations?

Mr. ANDERSON: Let me say that we have no stringent rules and regulations; the only thing that binds us is the act itself. The regulations are flexible and are being amended and changed almost daily. If we find a regulation is resulting in some hardship on certain classes of applicants we look at it very carefully and, if necessary, we seek amendments. We really have only

one set of regulations namely the table of disabilities and these we amend fairly regularly, with the possible exception of the assessments for disabilities, such as the loss of a leg, arm and so on, which have remained fairly constant over the years. However, there are no rigid regulations.

Mr. HERRIDGE: I would like to put a question in respect of rehearings where new evidence is offered based on the evidence that could be given by a comrade who was at a particular place at a certain time. I have had cases where a man was anxious to get the address of someone who served with him. What is the procedure that is used in these particular cases?

Mr. ANDERSON: Well, of course, we have access to the files and records and if this person to whom the man is applying for assistance in presenting his claim is a veteran—and in most cases they are—then we can assist him in locating the individual by obtaining the man's address from the files in central registry. Now, mind you, this presents something of a problem because the man does not always stay put. Where he was subsequent to his discharge and where he is today may be widely separated. The best we can do is ascertain the last address which appears on his records in the records department and send this along. We have gone to greater lengths than that. The veterans' bureau do a good deal of this sort of thing. They try to trace the individual from his last address and so on. However, gentlemen, I can assure you that every possible effort is made to get whatever evidence we can in this way and to assist the man in digging up the evidence which will support his claim.

Mr. HERRIDGE: Does the commission or the pension bureau seek the assistance of the legion and other veterans organizations in tracing the address of the men?

Mr. ANDERSON: The Veterans Bureau will. They will seek assistance from anyone who can provide it.

Mr. CHATTERTON: It would appear to me that quite frequently in the summary of evidence given before the commission in cases where laymen generally come forward and give evidence a comment is made in the summary "Friend of the applicant". This to me leaves the impression that because they are friends of the applicant their evidence may carry less weight. Am I wrong in my interpretation of this?

Mr. ANDERSON: Yes. This is not so. The evidence is given the same weight regardless of the relationship of the witness to the applicant. It depends entirely on the credibility of the evidence itself. We do not judge the individual witness adversely simply because he happens to be a friend of the applicant.

Mr. HERRIDGE: Mr. Anderson, have you any suggestions to make to the committee in respect of problems that you face in the administration of the commission?

Mr. ANDERSON: Well, no specific suggestions, Mr. Herridge. It is the old problem we are all faced with. A good deal of the difficulty which arises, so far as we are concerned, results from a misunderstanding of the legislation. I am sure the members of the committee can be of help to us in this regard when people come to them with complaints. It would be very helpful if they were in a position to explain exactly what the provisions are, what is provided by the act and what the responsibility of the commission is. May I say that I do think members of the committee and members of parliament generally do this, and we appreciate it. I hope it will continue. I think that is the only thing I would suggest at the moment.

Mr. HERRIDGE: Do you think anything could be done to improve the veteran's understanding of the act and its administration by articles in veterans'

magazines? I note quite frequently that the veteran is dissatisfied purely on the basis of a complete misunderstanding of the act and regulations.

Mr. ANDERSON: Yes. Articles appear in the *Legionary* at varying intervals explaining the effect of the act and how the Canadian Pension Commission operates. We have been asked to do specific articles for the *Legionary*. Almost invariably when there are amendments to the legislation the *Legionary* carries a very detailed explanatory article covering the amendments and so on. Then you may recall that for some years—and I believe they are still doing it—the *Legionary* had a section which was prepared and published under the byline of the service bureau in which it raised specific questions about pensions, treatment and so on, and then answered these questions. This is the sort of thing which I think does help tremendously in educating the veteran in respect of what his rights and privileges are and what the method of procedure is in respect of obtaining the benefits of these different items of legislation.

Mr. FLEMING (*Okanagan-Revestoke*): In respect of this, might it not be desirable for the department to prepare a publication outlining the general provisions of the act and the various procedures, and at the moment that a veteran makes an application for a hearing he be presented with a publication which outlines the provisions of the act in summary form and the procedure to be followed in respect of appeals and so on rather than this being controlled by the veterans' advocate or whoever may be dealing with this? I think it would be very beneficial that the applicant receive at the moment of application a pamphlet which outlines in general terms what benefits may be available to him, what procedure will be followed in respect of appeals and so on if the applicant is not successful. In this way the veteran would not be under any misapprehension at all in respect of what he is doing.

Mr. ANDERSON: In effect, this is done. When the initial or first decision is finalized he is written and told—if his claim is granted, of course, there is nothing further to worry about—how the process works. He receives a letter explaining the whole process which is now open to him and the lines along which he must proceed to advance his claim. So, in effect, what you are suggesting is done in each individual case.

Mr. HERRIDGE: On that particular point, I had a case sometime ago of a veteran who had to go to Shaughnessy hospital and have an operation which was very necessary. This veteran and his wife saw me personally. This operation considerably reduced his virility. They both claimed all they received back was a letter stating that his condition was not incurred during service. They failed to realize the veteran was 77 years of age. The next occasion on which I was there I got the authorities to write a complete explanation on the effect of aging of men, as a result of which everyone was quite satisfied. I think these things need a little explanation on occasion.

Mr. ANDERSON: Well, there is no doubt about the fact that this is one of the major problems. There is a misunderstanding of what the act provides and what are the responsibilities of the commission and other organizations providing veterans services.

The CHAIRMAN: Shall item 20 carry?

Item agreed to.

Mr. HERRIDGE: The consolidated editions of the Pension Act are very useful to members of the house and particularly to the members of this committee. Would it be possible for members of the committee to get a dozen copies of the consolidated edition of the Pension Act?

Mr. ANDERSON: Are you referring to the office consolidation of the act?

Mr. HERRIDGE: Yes.

Mr. ANDERSON: Yes, but I do not know what the procedure would be in this connection. We obtain our copies directly from the Queen's printer, and I think that is the procedure you should follow.

Mr. HERRIDGE: I just thought it would be useful to quite a number of members of this committee if they could obtain some extra copies.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): Of course, the members can get them through the Queen's printer. If our department obtains copies through the Queen's printer, then we have to pay for them the same way as you do. We always have hesitated to provide large quantities of legislation because the cost of these is charged to our departmental estimates, as a result of which it increases our outgo.

The CHAIRMAN: We will now proceed to item 25.

25. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland special awards, and gallantry awards (world war II and special force) 170,826,000

The CHAIRMAN: Are there any questions in respect of this item?

Mr. HERRIDGE: Are there a large number of veterans who have not applied to date for their gallantry awards?

Mr. ANDERSON: I am not too sure what the procedure is. However, I do know that all the veterans who have received awards are in receipt of whatever they are entitled to at the moment.

The CHAIRMAN: Are there any further questions on this item?

Mr. HARLEY: I assume the amount of expenditure is less because of the death of pensioners?

Mr. ANDERSON: Yes.

Mr. GROOS: For my own information could you advise what gallantry awards are?

Mr. ANDERSON: They are financial awards paid to persons who received the Victoria Cross, the D.S.O. and so on. At one time these were paid entirely by the British but in recent years the Canadian government has taken them over. At the present time these awards are all paid by ourselves with the exception of a few of the world war I veterans who are entitled.

Mr. GROOS: Are these awards paid in a lump sum?

Mr. ANDERSON: In some cases they are. Of course, we are not concerned with these. We are concerned with those who receive so much a month for the rest of their lives.

Mr. CHATTERTON: What is the order of payment for the various awards?

Mr. ANDERSON: Well, it is so many cents a day. I have forgotten what the actual amount is. However, I have now been handed some information which will help me to answer your question. Veterans who have the M.C., the D.F.C., the D.C.M. and the D.S.M. all get \$100 gratuities, payable on discharge, transfer to the reserve, or promotion to commissioned rank. For each bar there is an additional gratuity of \$100. Then there is the C.G.M., the M.M. and the D.F.M. These are in the above amount, \$100, but if the recipient is awarded a disability pension, service pension or veterans' allowance, he receives 12½ cents per day in lieu of gratuity, and this is paid with the pension and the war veterans' allowance.

Mr. CHATTERTON: Is that payment related to the length of service?

Mr. ANDERSON: No, it has nothing to do with length of service.

Mr. FANE: Were you implying that veterans who received the Military Cross got \$100 in each case?

Mr. J. E. WALSH (*Director, Finance, Purchasing and Stores*): Only if they received the Military Cross while they were non-commissioned officers.

Mr. FANE: Non-commissioned?

Mr. ANDERSON: Yes.

Mr. FANE: That is what I understood.

The CHAIRMAN: Shall item 25 carry?

Item agreed to.

The CHAIRMAN: We will revert now to item 15. This is the item in which Doctor Crawford is interested.

15. Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, 5,340,100

Mr. MACE: Mr. Chairman, I forgot to introduce Mr. R. W. Pawley, director of the Veterans' Land Act. He is with us today.

Mr. O'KEEFE: May I put a question in respect of item 15? Are there any civilians employed by the Department of Veterans Affairs?

Mr. CRAWFORD: Oh, yes.

Mr. O'KEEFE: In what capacity?

Mr. CRAWFORD: In all capacities. Some of my medical officers—and this is an increasing number—never have served. A lot of my nurses never have served. This also applies to laboratory technicians; many of them have never served in the armed forces. This is a fact of life and I think we have to realize that. Veterans preference goes only so far in respect of people who do not have jobs now and those who have not the proper kind of training are not worth employing as a rule.

Mr. O'KEEFE: Can you tell me if there are any veterans so employed in Newfoundland?

Mr. CRAWFORD: I am in a rather different position in respect of Newfoundland because I do not have a departmental institution in Newfoundland. The veterans' pavilion in connection with St. John's General hospital is staffed by the staff of St. John's General.

Mr. O'KEEFE: In respect of veterans applying for these positions who do not have the necessary qualifications required for certain jobs, has any thought been given to arranging the necessary training in order that these veterans could qualify?

Mr. CRAWFORD: This would be quite impractical. I am thinking in terms of people with university degrees, with high technical qualifications and so on. We can do a certain amount in respect of the cleaners, the helpers, the orderlies and that sort of thing. We do attempt to use veterans as orderlies and train them on the job. However, even that source of supply is running pretty thin because an orderly has to have a pretty strong back as well as a reasonable amount of education. Veterans are just getting too old for this kind of work.

Mr. O'KEEFE: You say it is impractical to train veterans for any specific job?

Mr. CRAWFORD: No, I am not saying that. That is far too general a statement. I am saying that it is impractical to try to train them for the type of jobs that I require to have done in my hospitals.

Mr. O'KEEFE: Are there any vacancies on the staff which take care of the graves at Beaumont-Hamel?

Mr. CRAWFORD: Mr. Mace says he can answer that question.

Mr. O'KEEFE: May I ask Mr. Mace that now, Mr. Chairman?

Mr. MACE: We only have one case, that of a caretaker, at Beaumont-Hamel. This position was vacated by the caretaker who previously occupied it. We have not filled the vacancy yet.

Mr. O'KEEFE: Have you considered any applicants?

Mr. MACE: We have had a letter indicating an interest on the part of a veteran who is a Newfoundlander, but it has not yet been finalized.

Mr. O'KEEFE: Can you tell me the salary scale for that particular job and how it compares with the salaries paid by the War Graves Commission for similar jobs elsewhere?

Mr. MACE: This is what we call a locally employed position. In other words, it is not a regular civil service position. I may be wrong, but I believe the salary set for this position is £1,300 (pounds sterling) which comes to about \$3,300. This may not be quite right. However, it also carries with it the use of a house. There is a house at Beaumont-Hamel for the caretaker.

Mr. O'KEEFE: There is just one employee?

Mr. MACE: There is the caretaker who has the house and we also employ local Frenchmen on a casual basis to do the work around the grounds as required.

Mr. O'KEEFE: Can you tell me what arrangements are made by the War Graves Commission for the education of employees' children? Are similar arrangements made for employees at Beaumont-Hamel?

Mr. MACE: I am given to understand that there are some arrangements made by the Commonwealth War Graves Commission for the education of children of their employees. I only learned of this about a month ago and I have written to the Commonwealth War Graves Commission in London, England, to find out exactly what the arrangements are. This was something new to me; and I had never known about it before.

I cannot say categorically that they do or they do not make such arrangements. So far we have not done this, sir, but if the Commonwealth of War Graves Commission do so I will be very interested.

The CHAIRMAN: I think we should get on with Item 15.

Mr. MACEWAN: I understand, Dr. Crawford, that as far as nurses are concerned the Civil Service Commission actually calls for applications, and competitions are held. Is this correct? It that the way in which they are employed?

Mr. CRAWFORD: There may be a regulation to this effect, Mr. MacEwan. If so, it is more honoured in the breach than in the observance. What happens really is that if we are looking for nurses and a girl comes to one of our hospitals, if she looks the kind of girl we want we hire her and tell the Civil Service Commission that we have done so; and that is that. There is none of the red tape delay—if I may use that term—associated with the hiring of nurses that there is with some other civil service positions.

Mr. MACEWAN: You are having difficulty, you said, in getting sufficient nurses to staff your hospitals entirely.

Mr. CRAWFORD: Indeed I am.

The CHAIRMAN: Is that general throughout the country in all hospitals?

Mr. CRAWFORD: It varies a great deal. My average shortage of nurses compared with the establishment for nurses is now $17\frac{1}{2}$ per cent. I am $17\frac{1}{2}$ per cent down. This varies from zero in such places as Saskatoon and Edmonton, where I have small establishments, to 35 per cent in Toronto. Of course, the 35 per cent deficiency in nursing staff causes a pretty crippling situation.

Actually, the situation in August of 1964 was 56 bodies better than it was in 1963. This is due largely to the fact that we sent a mission down to the United States to recruit nurses who had been trained in the Philippines. They are perfectly satisfactory nurses. They have been doing further studies in the United States. Their visas or work permits, or something of that nature, have run out and they had to leave the country so we managed to catch them for a year or longer, and they have been working for us in some of our hospitals with considerable satisfaction. This is a temporary situation, however, but it has resulted in a numerical improvement over our condition last year.

Mr. MACEWAN: I have one further question.

You mentioned that you had a school for nurses aids or assistants in Halifax.

Mr. CRAWFORD: Yes.

Mr. MACEWAN: Do you have full classes in that school?

Mr. CRAWFORD: Yes. Applications are always as high as our capacity to accept.

Mr. MACEWAN: How many are provided for your hospitals?

Mr. CRAWFORD: We train 50 girls per class, or something in that order. We do not employ them all ourselves. I think it is fair to say that they are all going into the work for which they are trained in some community, mainly in the maritimes, but a good many of them do stay with us and we send them to Sunnybrook, to Winnipeg and so on, and they work as nursing assistants in our hospitals.

Mr. GROOS: You mentioned the shortage in certain hospitals. Can you remember offhand what the shortage is, if any, in Victoria?

Mr. CRAWFORD: I can tell you that exactly, Mr. Groos. In Victoria at the end of August, 1964, I was only three short in an establishment of 78, which is not bad.

Mr. HARLEY: I would like to ask a question of procedure. I am a little mixed up here in my estimates. I assumed we were dealing with Item 15 but it seems to me the questions we are dealing with now are actually under Item 30.

Is Dr. Crawford going to deal with Item 30 now? I have some questions to ask under that item.

Mr. CRAWFORD: I would prefer to deal with Item 15 first. This item of \$2,650,000 is for various allowances. In the main these allowances are treatment allowances. This, principally, is an allowance to pay a disability pensioner a sum which brings his disability pension payment up to 100 per cent for the period during which he is in hospital. In other words, if a man is 50 per cent disabled and receives a 50 per cent pension we say that while he is undergoing treatment for that he is in fact 100 per cent disabled and we pay him a treatment allowance—the difference between his pension and a 100 per cent pension, less a few dollars.

Mr. O'KEEFE: Under Item 15, which I notice has to do with the Veterans' Land Act—

Mr. CRAWFORD: That will be dealt with by Mr. Pawley under Item 15. I am interested in Item 15 only to the extent of the \$2,650,000; it is subvote 55 in Item 15.

The CHAIRMAN: Are there any further questions under Item 15 for Dr. Crawford?

Mr. GROOS: Am I right in my interpretation that this is largely for giving a 100 per cent pension to people who are in hospital for treatment relating to a partial disability while they are being treated for that? The figure seems to be reducing every year. How do you explain that?

Mr. CRAWFORD: The number of pensioners is reducing every year, Mr. Groos. However, the \$2,650,000 is not entirely made up of this allowance. Another item in this is a special treatment allowance which we pay to paraplaegics who are in receipt of attendant's allowance from the pension commission. When they go to hospital the attendant's allowance ceases. We feel that they still have to retain contact with the person they have hired as an attendant, and we pay them an allowance for two months after they have been admitted to hospital to enable them either to continue the association or to bring it to a tidy close.

The item also covers a comforts' allowance which we pay to needy veterans in hospital at the rate of about \$10 a month.

Mr. GROOS: It is just a reduction in the number of veterans that leads you to forecast this general reduction?

Mr. CRAWFORD: That is right.

Mr. HARLEY: Does this include the allowances which used to be paid to students going through university—

Mr. CRAWFORD: Not in my particular vote for allowances; this would be a welfare rehabilitation allowance.

The CHAIRMAN: Are there any further questions, gentlemen, that you would care to put to Dr. Crawford?

Let us turn to page 508, Item 30:

TREATMENT SERVICES

Vote 30—Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital, prosthetic and related services

Treatment services—operation of hospitals and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services (formerly Vote 15)

Salaried Positions:

Administrative and professional:

Senior officer 3 (\$17,400-\$19,000)
 Medical specialist 2 (\$13,800 and up)
 Medical officer 6 (\$16,400-\$17,400)
 Medical officer 5 (\$14,800-\$15,800)
 (\$12,000-\$15,000)
 (\$10,000-\$12,000)
 (\$8,000-\$10,000)
 (\$6,000-\$8,000)
 (\$4,000-\$6,000)
 (Under \$4,000)

Technical, operational and service:

(\$10,000-\$12,000)
 (\$8,000-\$10,000)
 (\$6,000-\$8,000)
 (\$4,000-\$6,000)
 (Under \$4,000)
 (Part Time)
 (Seasonal)

Clerical:

(\$4,000-\$6,000)
 (Under \$4,000)
 (Part Time)

Prevailing Rate Positions:

(Full Time)

	\$
Continuing establishment	39,010,000
Casuals and others	140,000

Salaries and wages (including \$600,000 allotted during 1963-64 from the General Salaries Vote for increases in rates of pay)	(1)	39,150,000
Overtime	(1)	300,000
Allowances	(2)	53,500
Hospitalization in other than Department of Veterans Affairs Institutions	(4)	3,000,000
Fees—Doctors and consultants, Department of Veterans Affairs Institutions	(4)	3,300,000
Corps of Commissionaires Services	(4)	825,000
Canadian Red Cross Society—Arts and Crafts Program	(4)	129,800
Other Professional and Special Services	(4)	3,179,000
Travelling Expenses—Staff	(5)	175,000
Freight, Express and Cartage	(6)	43,000
Postage	(7)	50,000
Telephones and Telegrams	(8)	197,000
Publication of Medical Services Journal, Canada	(9)	9,500
Office Stationery, Supplies, Equipment and Furnishings	(11)	95,000
Materials and Supplies	(12)	8,925,000
Repairs and Upkeep of Buildings and Works, including Land	(14)	890,000
Repairs and Upkeep of Equipment	(17)	230,000
Light and Power	(19)	425,000
Water Rates, Taxes and Other Public Utility Services	(19)	172,000
Hospital Insurance Premiums or payments in lieu Thereof re War Veterans Allowance Recipients ..	(20)	1,375,000
Unemployment Insurance Contributions	(21)	49,500

STANDING COMMITTEE

Travelling Expenses—Patients and Escorts	(22)	635,000
Laundry	(22)	310,000
Nursing Assistants—Trainees' Allowances	(22)	62,400
Sundries	(22)	92,000
Compensation for Loss of Earnings	(28)	64,000
		<hr/>
		63,736,700
Less—Recoverable Costs—Treatment of Patients, Staff Meals and Accommodation, etc.	(34)	21,400,000
		<hr/>
		42,336,700
		<hr/>

	Expenditure	Revenue
1961-62	\$ 61,965,632	\$ 20,714,268
1962-63	63,452,608	21,179,162
1963-64 (estimated)	63,623,919	21,029,000

TREATMENT SERVICES—MEDICAL RESEARCH
AND EDUCATION
(formerly Vote 20)

Salaried Positions:

Administrative and Professional:

(\$10,000-\$12,000)
(\$6,000-\$8,000)
(\$4,000-\$6,000)
(Part Time)

Technical, operational and service:

(\$4,000-\$6,000)
(Under \$4,000)
(Part Time)

Salaries	(1)	250,000
Fees of Specialists engaged in Research	(4)	130,000
Other Professional and Special Services	(4)	7,000
Travelling Expenses—Staff	(5)	3,000
Special Research Drugs	(12)	1,000
Special Research Equipment	(16)	20,000
Medical Education	(22)	15,000
Miscellaneous Research Expenses	(22)	8,000
Travelling Expenses—Patients and Escorts	(22)	1,000
Compensation for Loss of Earnings	(28)	1,000
		<hr/>
		436,000

	Expenditure
1961-62	\$ 359,825
1962-63	405,282
1963-64 (estimated)	414,100

Prosthetic services—supply, manufacture and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services (formerly Vote 30)

Salaried Positions:

Administrative and Professional:

(\$10,000-\$12,000)
(\$8,000-\$10,000)
(\$6,000-\$8,000)

Technical, Operational and Service:

(\$6,000-\$8,000)

(\$4,000-\$6,000)

(Under \$4,000)

Clerical

(\$4,000-\$6,000)

(Under \$4,000)

Salaries (including \$72,000 allotted during 1963-64 from the General Salaries Vote for increases in rates of pay)	(1)	1,025,000
Allowances	(2)
Travelling Expenses—Staff	(5)	9,500
Freight, Express and Cartage	(6)	11,000
Postage	(7)	8,000
Telephones and Telegrams	(8)	2,900
Office Stationery, Supplies and Equipment	(11)	2,500
Materials and Supplies	(12)	590,000
Construction or Acquisition of Equipment	(16)	12,500
Repairs and Upkeep of Equipment	(17)	2,500
Light and Power	(19)	10,500
Water Rates, Taxes and Other Public Utility Services	(19)	1,300
Travelling Expenses—Patients and Escorts	(22)	22,000
Sundries	(22)	12,000
Compensation for Loss of Earnings	(28)	6,500
		<hr/>
		1,716,200
Less—Recoveries from Outside Organizations	(34)	265,000
		<hr/>
		1,451,200
		<hr/>

	Expenditure	Revenue
1961-62	\$ 1,664,729	\$ 218,934
1962-63	1,623,725	227,451
1963-64 (estimated)	1,702,300	260,000
	<hr/>	<hr/>
Total, Vote 30		44,223,900
		<hr/>

Mr. HERRIDGE: Last time the committee was meeting the members were quite concerned about the proposed arrangements for turning over certain D.V.A. hospitals to municipalities and provincial governments, and all members of the committee have since received copies of press releases from the Royal Canadian Legion and a copy of a letter dated March 20 sent to the minister. Would Dr. Crawford mind explaining to the committee the developments in this direction to date.

Mr. CRAWFORD: Mr. Herridge, in my last appearance before you I expressed my concern about what was happening in the treatment branch. At the present time the median age of our inpatients in departmental institutions is about 68 years. A recent spot check which I carried out in one of our hospitals, which can be considered as fairly typical, showed that about 31 per cent of our patients in that hospital were in need of the kind of care which could be provided in a good boarding house or in a good nursing home. About 64 per cent of our patient load required the kind of nursing care or

treatment which could be provided in a good chronic disease hospital. Only five per cent of our patient load was in need of the kind of acute, intensive care which our hospitals were originally designed to provide and which they are now equipped to provide.

This situation is causing problems. It has resulted in a decrease of interest in our institutions as medical teaching institutions, with the subsequent diminution of interest by the kind of professional staff that we have and on which our enviable reputation has been based.

In my view, the only way in which we can maintain the standard of treatment which we have established in our hospitals is to dilute this aging chronic disease population with patients of a younger age group and with more acute disease.

How can this be done? There are perhaps two possibilities. The first is to open the doors of our hospitals to patients from the general community. This is fraught with a great many very grave disadvantages. In the first place, if you are familiar with the British North America Act—and I have no doubt you are—you will realize that the operation of hospitals and questions of health are strictly reserved to the provinces, with the exception of the old maritime quarantine hospitals which were a federal responsibility. It is true that the Department of Veterans Affairs Act allows the minister to make regulations governing the operation of hospitals for veterans. This raises a very interesting question of whether this part of the Veterans Affairs Act was indeed *ultra vires* of the parliament at the time it was passed, but I do not suppose anyone is going to challenge that.

There is a difficult and important constitutional problem because many provinces are extremely jealous of their prerogatives in this field.

Another disadvantage of opening our doors to community patients is that the medical profession would not be happy with this sort of arrangement unless indeed we opened our doors not only to patients but also to all community doctors, and this would strike at the policy which we have clung to very firmly for very many years of having closed staff hospitals, and on which we have relied for our maintenance of treatments standards.

Perhaps you feel that the attitude of the medical profession is not important in this connection, but it is important to me apart altogether from what my personal views might be. It is important to me because I am entirely dependant on the good will of the medical profession to staff these hospitals. We have very few full time physicians. The majority of our physicians are on a part time basis. We obtain them from university staffs. It is important to me that my relationships with the profession in the maintenance of these staffs is maintained.

Another consideration which I think is worth remembering is that our hospitals are filled with veterans with one degree of entitlement or another. We are operating at pretty close to 90 per cent capacity on an average. So, for every non-veteran we admit to our hospitals some veteran is going to have to be discharged some place else.

And, if I might have the temerity to say, one of the disadvantages of this solution rests with gentlemen like yourselves. Not a day passes that I am not subject to some degree of pressure to admit to our hospitals veterans or quasi veterans who are constituents of one or the other of you.

Mr. HERRIDGE: What is a quasi veteran?

Mr. CRAWFORD: One illustration of this, Mr. Herridge, is a young lad whose father was a veteran. His father served very well. The boy himself has no service. However, I am being pressed to admit him to one of our hospitals because of his father's service. This is the sort of thing I mean.

Mr. HERRIDGE: That is a new one to me.

Mr. CRAWFORD: I merely suggest that the situation would be even more acute than it is if we were expected to provide hospital services for everyone in a community. With all respect I suggest the House of Commons is far too large a body to serve as the board of management of a community hospital.

These are some of the reasons that we should not, as a federal department, open our doors to community patients. I suppose one alternative to doing this is to accept the fact that we are going to be devoted solely to the provision of chronic care for veterans. This raises the problem how we are going to get our veterans in need of acute care into community hospitals which are already full and, of course, it raises the very grave problem of changing our whole attitude toward the treatment of veterans. I think I would be required to staff such hospitals with full time medical staff, which is not going to be easy today because good physicians and surgeons who are willing to work for the department on a full time basis are very hard to find. So, on the basis of logic alone it seemed that the dilution of our patient population, which I think would be desirable, would best be carried out by having someone else operate departmental hospitals. I think of the situation we have in Edmonton, for example, where our active treatment is carried out in a veterans pavilion attached to a general hospital, a university hospital, or in St. John's, Newfoundland, where the beds not used by veterans are available for anyone in the community. If we cannot do that and if some other operating agency can do it for us, it seems to me a logical move to take advantage of this situation.

Now, Mr. Herridge asked how far this program had progressed. I suppose the answer to that is that it has not progressed very far at all.

Following the minister's speech on March 16 in the House of Commons we received inquiries or expressions of interest from almost every area in which we have a departmental hospital. I said "almost", but not quite; there were one or two who were not in the least interested. We have investigated all these inquiries. In most of them, when we made our position understood and explained to these interested provinces the requirements which we had for the protection of the treatment of veterans, explained the number of beds on which we would have to retain priority, and said that we would have to retain control of the admission policy, some of them immediately threw up their hands and said: "that's too tough for us". Others have said: "well, we think we might be able to meet these conditions with help."

Now, as I told you last year, if we are going to turn over any institutions we must first know what is going to happen to the veteran that needs admission to hospital. Are there facilities in the community which are adequate in our view to meet this need for acute care or chronic care or for whatever kind of care that is required? Now, if those facilities are not available in communities then it seems to me we should be prepared to assist in the provision of these facilities, which will be available not only for veterans but for other members of the community who need them.

I am not at liberty, Mr. Herridge, to name places. I think the minister indicated pretty clearly in his opening remarks that he was not prepared to name places so, obviously, I cannot, except to say that there are still two places in Canada where we think that a completely satisfactory arrangement might be worked out. It has not been worked out yet; we are working on it. If we can satisfy ourselves that the care of veterans is going to be adequately provided under some other arrangement then and only then would we feel free to proceed with the implementation of this program. We have taken a number of steps in a number of places which the minister has announced in the house. For example, in Saint John, New Brunswick, we have pretty well concluded an arrangement with the workmen's compensation board to take over the operation

of the Ridgewood health and occupational centre, which is equipped as a rehabilitation institute. It has a capacity of about 100 beds and we have been using only 30 of these beds as domiciliary care beds. The centre is equipped as a rehabilitation institute which will be useful to New Brunswick as such. Arrangement has been made with the workmen's compensation board of New Brunswick to take over the administration of this place and continue to give us the use of the 30 beds we are using, so we are not losing anything. We are contributing something to the province which will be extremely useful to them.

In Sunnybrook hospital we had two wards empty which I was unable to staff with nurses. We have rented these wards to Wellesley hospital to establish an arthritic unit. This is a different thing than opening our doors to civilians because civilians here are being admitted to the Sunnybrook wing of Wellesley hospital. The staff is supplied by Wellesley. We are selling them meals; we are selling them heat and we are selling them cleaning services. We are renting them a certain number of square feet of ward space at so much a square foot.

In Edmonton we have come to an arrangement with the province whereby we are trading the 75 bed domiciliary care institution at government house and the old Wells pavilion of university hospital which was in an advanced state of decay and, in my view, was not suitable for patient accommodation for a modern 150 bed institution close to the university hospital, which will serve us as a domiciliary and chronic care institution. We are helping in this financially in that we are assuming part of the cost of construction. But, as a result of this we will find that our veterans are being accommodated in a new, modern building instead of in the Wells pavilion, which was completely unsuitable, and instead of in government house, which was beginning to cost us a tremendous amount of money to maintain.

That is about as far as we have gone in respect of the implementation of the policy which was expressed. There are still a couple of places where we may go further, but until there is a greater demand and a greater interest on the part of the agencies which we would consider competent to take over these institutions I think that there will be no further advances.

MR. CHATTERTON: Would you distinguish between chronic and domiciliary care cases so that a layman could understand the difference?

MR. CRAWFORD: Here we are getting into an exercise in semantics, which is always dangerous. Obviously, it is impossible to draw a sharp line of distinction. But, in general terms, a person whom we regard as a domiciliary care patient must be able to get out of his bed by himself, get over to meals, to totter around to some extent and so on. A chronically ill patient, on the other hand, may or may not require a tremendous amount of nursing care. He may be completely bedridden and he may have to be turned in his bed because he is unable to turn himself. But there is for him really no hope of improvement; he is going to deteriorate slowly, perhaps blessedly more quickly, until he dies.

MR. CHATTERTON: Which of the groups will require more medical care apart from nursing care?

MR. CRAWFORD: Well, of course, the medical care is minimal in the case of the domiciliary care patient. We have sick parades. We have a visiting doctor who talks to these inmates at regular intervals and finds out if they have any medical complaints.

The chronic care case does not require much in the way of medical care unless there is some aspect of rehabilitation, and this sometimes is possible.

We are doing some very remarkable things. There are many cases of old veterans who have been completely bedridden and through the exercise of a great deal of medical effort, physical medicine particularly and other aspects of treatment, we have been able to get these old gentlemen out of their beds. They have been able in certain cases to get around in a wheelchair or on crutches, and so on. It has added tremendously to their joy of living. But, it really has not made very useful citizens out of them. There is not any hope or expectation that we are going to get them back into the community.

Mr. CHATTERTON: In general terms, if you had an institution which would give you optimum results could both classes be accommodated in that same institution? Would there have to be separate institutions? I am thinking of an ideal situation.

Mr. CRAWFORD: An ideal situation would be one where we had an active treatment institution for active intense care, the sort of thing like a good general hospital. We would have a chronic disease hospital which was pretty heavily weighted on the side of rehabilitation, physiotherapy, certain techniques and so on, and we would have a nursing home level, if you will. I mean the sort of place a man would live under some degree of supervision—that is, nursing supervision. In there we would have the senile cases, those that were confused and get lost, where we would see they did not get lost, that they got fed and were kept clean. These three levels would make an ideal sort of treatment arrangement.

Mr. CHATTERTON: Could you give us a general figure in respect of the cost per bed operation of each of such three operations?

Mr. CRAWFORD: Well, in respect of treatment, the operating costs are around \$30 a day. In respect of chronic care I think that operating costs would be \$15, and for nursing home care, dependent upon what you are providing, anywhere from \$7 to \$10 or \$12.

Mr. CHATTERTON: In the estimation of these costs do you include amortization of the capital cost of the building as well?

Mr. CRAWFORD: No, the figures I have given are in respect of patient costs.

Mr. CHATTERTON: And when you consider the cost of the structure the difference would be even greater?

Mr. CRAWFORD: The cost of the structures is a different thing. As a rough rule of thumb you have to say an active treatment hospital bed is going to cost you more than \$25,000 to build. A chronic care bed probably can be built for around \$15,000, or perhaps less, and a domiciliary care bed, \$7,000 or \$8,000.

Mr. CHATTERTON: If there were such institutions for chronic and domiciliary care, would the inmates thereof receive better medical treatment?

Mr. CRAWFORD: That is, in domiciliary care institutions?

Mr. CHATTERTON: I am thinking of their own needs.

Mr. CRAWFORD: I cannot give you a general answer. In some provinces I think the answer is that this sort of care now could be provided as well. I am thinking particularly of the province of Alberta, which has a very advanced social program, as you know, and nursing homes now have been brought under the control of the department of health in Alberta. Their standards are very high. These are fine domiciliary care institutions or homes, and they are looked after by very competent people. I regret to say that in some provinces there are some nursing homes which would not meet any reasonable man's idea of the standards of care required.

Mr. GROOS: Dr. Crawford, the minister made a statement or addressed the veterans of the Canadian Legion in Winnipeg and at that time he made a commitment that he would consult with service organizations—that is, the

veterans service organizations—before he made any final commitment in respect of any changes that would be made. An example was given a while ago in respect of the change that took place in Edmonton. At what stage do you envisage consultation with the veterans organizations? Also, how did this work out in the case of Edmonton: were the veterans organizations consulted and were they fairly content with this arrangement?

Mr. CRAWFORD: Mr. Groos, since this was the minister's commitment I think in all fairness I cannot answer all these questions. However, he did say this, and he meant it. He has told me repeatedly that before anything is finalized he wants the veterans in the area to know what is being done and why it is being done.

In the case of Ridgewood the president of the provincial command of the Legion was completely aware of what was going on at all times. In the case of Edmonton the dominion command of the Legion was advised of what we wanted to do and they expressed the opinion that since there was essentially no change, except one of improvement, they had no objections to it.

Mr. GROOS: I have a further question on a relative subject. In respect of these veterans chronic and domiciliary care wings or units that you are envisaging do you foresee any of these being built in any areas other than the areas that now have a veterans hospital? I am thinking of British Columbia; in Victoria and in Vancouver we have veterans hospitals and they are both in one geographic area in British Columbia. Do you foresee any of these perhaps being put up anywhere else?

Mr. CRAWFORD: Not under existing policies, Mr. Groos. This is a matter in which policy will have to be made and it will have to be made at a very high level.

I would like you to recall, if you will, that our original mandate in the treatment branch was to supply treatment which would assist all veterans to be rehabilitated back into civilian life after the war and to provide continuing treatment for service connected disabilities. Now, that was our original mandate and that is the basis upon which our hospital construction program was undertaken. For many reasons we have extended far beyond the terms of that original mandate and we are now asked to and do provide treatment for a great many veterans whose disability has no relationship to their war service whatsoever.

When I joined the department, having come from the army, where I liked to know what my authorities were before I did anything, I had to look for authorities in the Department of Veterans Affairs. I found we were working on a pretty tenuous sort of arrangement. I asked some questions and I was told that I had under my control about 9,000 beds. How I used those beds was left up to me, and whether I used them for active treatment, chronic treatment or for domiciliary care did not matter very much. However, that was the limit of beds that I was going to have. So far as I know, we are still working on that policy; in other words, I can do what I want to do with the 9,000 beds which I have, but I am not going to get any more. And, if we are going to increase this domiciliary care program and build other additional facilities for domiciliary care, I think you have to ask yourselves the question and provide an answer to the question as to why the Department of Veterans Affairs is doing this rather than the Department of National Health and Welfare or provincial governments, since the need for domiciliary care applies equally to all citizens of a province, and that the process of aging and the need for domiciliary care is no different in the case of veterans than it is for any other citizen of the province. Now, if you can satisfy yourselves and produce a satisfactory answer I have no doubt that the Department of Veterans Affairs, if instructed to do so, will get along

with the business; but, at the moment, anything we do beyond the treatment of service connected disabilities and now, due to long usage in custom, the treatment of recipients of war veterans' allowance, is done as an act of grace on the basis that we have existing facilities in which we can do it.

Mr. CHATTERTON: But is there not a difference so far as war veterans' allowance recipients are concerned? They are entitled to treatment by statute.

Mr. CRAWFORD: No, they are not. The War Veterans' Allowance Act makes no mention whatever of treatment. This is done on the basis—and it is a reasonable basis—that since we are providing war veterans' allowance recipients with the necessities of life, with food, shelter, clothing and so on, we should also provide them with medical care. I have no quarrel with this but also I must suggest we could quite properly discharge this responsibility with respect to these recipients of war veterans' allowance if we sent them to community hospitals or provided doctors in their own communities and paid the shot. Medically speaking, there is really no reason at all why I should require war veterans' allowance recipients to come into departmental hospitals. Disability pensioners are another thing; that is, the treatment of them is another thing. There are a great many reasons why a disability pensioner should be treated by my people but war veterans' allowance recipients could be just as well treated by their own doctors in their own communities.

Mr. HERRIDGE: Would not the department have records concerning the veteran in connection with his medical history which might be of some assistance to the department?

Mr. CRAWFORD: This is a matter of very minor importance. The fact a man was treated five years ago for an enlarged prostate is not really of tremendous importance if today he requires treatment for congestive heart failure; in any event, the doctor treating him is going to take a pretty careful history and draw his own conclusions. Also, our records are quickly available to any doctor treating a veteran on a doctor of choice plan. If he cares to write us we will tell him what we have done and so on.

Mr. HARLEY: Dr. Crawford, I wanted to ask some questions relative to the medical staff under your jurisdiction. I am thinking particularly of breaking them down into three groups: consultation services, full time medical practitioners in the hospitals, and interns. How short are you in numbers in respect of these three groups? If you are short, as I think you are in some areas, is it because the pay is insufficient or is it because of the type of patient who is now inhabiting a major part of the beds in hospitals?

Mr. CRAWFORD: You have divided the staff into three classes and we can deal with them on that basis. I will start with the part time people that I employ really on the basis of an annual honorarium although for administrative purposes, vis-à-vis the Auditor General, I pay them so much a half day. This allows me a certain amount of administrative elasticity but it has no important meaning in any other area. These men are the cream of the crop, and still an appointment to the Department of Veterans Affairs on this basis carries a distinction or accolade. These doctors are obtained in collaboration with university staffs. In view of the nearness of a university I do not experience great trouble in getting people on this basis. I do pay them. The most recent revision allows me to pay specialists \$40 a half day and \$20 a day for general practitioner types, of whom I have a few. And, I might say, they do earn their money. They are there for a far greater period of time than I pay them for. They are there at nights and weekends.

Mr. CHATTERTON: Are you restricted in the number you employ in this category or are you restricted by the amount provided in the estimates?

Mr. CRAWFORD: It is a financial matter. I am allowed a certain amount of money to do this and I distribute it almost in blocks to the various hospitals. I say: "all right, here is so much money with which you will employ part time staff". They make their own arrangement with the staff. For example, if doctor A is employed on the basis of 15 half days a month and he feels he would like doctor B to be on his service—incidentally, he is the chief of service—he can do this so long as he can employ him by adjusting the amount of employment of the other doctors who are working for him so the total is not exceeded. That is why I have this rather pleasant administrative flexibility.

In respect of the full time people this presents a rather different problem. My administrative medical people are all on a full time basis. I am referring to the superintendents and assistant superintendents of hospitals, medical officers in charge of admission services and so on. In some hospitals, Calgary, Saint John, New Brunswick, where we do not have university affiliation, quite a large proportion of my clinical staff are on a full time basis. In the main I have extremely good people and I am awfully fortunate in getting them because there is a tendency for doctors, who for one reason or another no longer wish to compete in private practice, to join the civil service. Sometimes these reasons are laudable and sometimes they are not. The tendency is for them to drift into full time employment and, particularly if they are veterans, to seek employment in the Department of Veterans Affairs. However, we have been extremely fortunate in respect of the full time medical doctors we have been able to attract to our service. I pay them up to a maximum of \$19,000 a year, so it is pretty good pay. However, they are not all getting \$19,000. Most who have been with me for a lengthy period of time are getting in the order of \$15,000 or \$16,000. I would say that I have no shortage of applications for full time employment except in some highly qualified specialists positions like radiology and these positions are always hard to fill. But, in the main there is no shortage of applications for full time employment. The difficulty comes in selecting good people.

With respect to interns and residents, this is getting to be a tremendous problem. Thus far in most of my hospitals we have been able to keep enough residents to keep afloat but only just. This is where the nature of our patient population is beginning to hurt. You must realize what a resident is; he is a graduate doctor aiming toward his qualifications as a specialist. He is training in general surgery or urology or whatever it is. He looks for a hospital in which to train to get this specialist qualification. Up until a few years ago we were flooded with applications for residency training. Really, the resident is the keystone on which treatment is built in a hospital. Now, the royal college has reduced its approval of our hospital in some places to one year. That is all they will approve in respect of our hospitals because they say this is all the experience a man is going to get. As a result, people who are looking for residency appointments as junior residents with the opportunity of advancing to chief or senior residents do not want to come to us except as a last resort; they are going to other hospitals where they can dig in and stay for a period of two, three or four years, complete their training and get their specialist qualifications. This is where our chronic patient load has hurt the most in respect of our medical staff situation.

Mr. CHATTERTON: Reverting to the question of domiciliary and chronic care cases, by your own figures with regard to the cost of construction and operation would it not be profitable or wise in some cases for instance, I am thinking of the Victoria veterans' hospital and the Shaughnessy hospital, where there is another general hospital almost adjoining—to build such structures right next to the hospital, thereby releasing certain wings, for instance, of

the Victoria veterans' hospital to the Jubilee hospital. Would that not result in a saving and better treatment for the domiciliary, chronic and active cases?

Mr. CRAWFORD: The Jubilee and Victoria veterans hospitals make a very good example, which lends itself to a very reasonable solution. I think the Jubilee hospital should take over the operation of the Victoria veterans' hospital as an active treatment institution and that there should be provided a corresponding number of chronic and domiciliary beds. Now, I have used those words deliberately. If we are giving the Jubilee hospital and the city of Victoria the building now composing the Victoria veterans' hospital I do not think it is unreasonable that the city should build the domiciliary place. But, this is a question of dollars and cents in which I am not involved. But, I do say that the Jubilee hospital should be running the Victoria veterans hospital as an active treatment hospital, giving us priority on sufficient beds for the active treatment of the veterans for whom we are responsible, and that there should be in addition to that facilities for chronic care and/or domiciliary care nearby.

Mr. CHATTERTON: The practical difficulty in this case is that the hospital board will not provide, and I do not think they have the authority, for chronic and domiciliary care cases, and in British Columbia the province has not provided that.

Mr. CRAWFORD: Yes.

Mr. CHATTERTON: So, would it not be up to the federal government? You say the original terms of reference were only for pensionable conditions from military service. But, the thing is veterans have come to expect the other treatment. Would it not be up to the federal government to provide such institutions and better service all around, thereby saving money as well?

Mr. CRAWFORD: I do not propose even to attempt to answer that question. What the federal government should do is not for me to decide.

Mr. CHATTERTON: But, there could be a saving of money and better treatment as well, regardless of who does it.

Mr. CRAWFORD: There could be.

Mr. HARLEY: I would like to refer to some specific items here in the estimates. Toward the bottom of page 508 mention is made of doctors and consultants in the amount of \$3,300,000 and then, below that, is set out professional and special services in the amount of \$3,179,000. Have you any detail in respect of what these other professional and special services would be?

Mr. CRAWFORD: In respect of fees for doctors and consultants we are asking \$3,300,000 in the estimates, and this covers the employment of the specialists and the general practitioners, which we talked about, who are employed on a half day fee basis. The item below that is for other professional and special services, and this provides for the cost of medical examinations and specialists fees in connection with the treatment of veterans in outside hospitals and for payments under the doctor of choice plan. We do a great deal of treatment in local communities now, paying the doctors for the services which they provide, and that is the reason for that item.

Mr. HARLEY: In comparison with the previous year the cost of that is up somewhat. Does that mean the cost is up or the number of people doctoring actually is up?

Mr. CRAWFORD: Probably both. Under the doctor of choice plan we pay on the basis of 90 per cent of provincial tariffs; that is, the provincial schedule of fees established by provincial colleges of physicians and surgeons. We have little control over this and if a provincial schedule is increased we pay an increased amount. Also, the numbers are going up because I am now in the

process of encouraging veterans to stay in their own communities because I have not room in our hospitals for them. We feel they should be kept at home and treated there.

Mr. HERRIDGE: In respect of that point what does the veteran do who is requiring hospitalization? For instance, what is the procedure if he is willing to stay in his own community?

Mr. CRAWFORD: I think the procedure is very well known to most veterans who make a practice of calling on us for help, Mr. Herridge.

First of all, any veteran eligible for treatment at our expense in an emergency contacts the nearest doctor and enters the nearest institution, and we pay for it. If it is an elective case we ask that the veteran first get in touch with us. He might say, for instance: "my back is sore and I would like to have someone look at it." We may tell him to come in and see us, in which case we pay his transportation expenses, or we tell him to see his own doctor and have his own doctor send a report and we then pay the doctor. So, in emergency cases there is no problem, and in elective cases we like to make the decision whether the man is treated by us or treated in his own home community. The reasons that lead us to decide one way or the other are several. One of them is the adequacy of the medical skill for dealing with what this complaint seems to be. We may feel it quite safe and reasonable to leave the man in his own community. Also, if we feel that we are going to be faced with a very long term illness at a great medical cost it may be better for us to bring the man in, pay his transportation expenses and have him treated by doctors that are being paid whether they work or not. All these factors have a bearing.

Mr. CHATTERTON: At the middle of page 508 "technical, operational and service" is set out. Could you explain the large change in those earning under \$4,000 and those earning between \$4,000 and \$6,000? I am referring to the number of personnel involved.

Mr. CRAWFORD: I do not think the numbers have changed any.

Mr. CHATTERTON: It would appear to me that the number earning between \$4,000 and \$6,000 have increased.

Mr. CRAWFORD: The amount of money has increased considerably because of the revision of salaries which automatically took place.

Mr. CHATTERTON: And, that is the whole explanation for it?

Mr. CRAWFORD: I think you will find that the total number of positions is the same as last year.

Mr. CHATTERTON: I am advised that in respect of the Victoria veterans hospital there was an order, limitation or restriction imposed upon them with regard to the number of personnel and the total sum of money allocated, and there was somewhat of a reduction in respect of both of these? Is this the general practice or was it because the Victoria hospital was considered to be overstaffed, too expensive, or what?

Mr. CRAWFORD: No; Victoria veterans hospital is not being discriminated against in any way.

The question of establishments and the number of people involved in any one hospital always is a question of dispute. The local authorities in any hospital invariably feel they do not have enough people to do the job. Other people, in comparing the operation in one place with the operation in another place, may feel that some adjustment in staff should be made. So, we send throughout the country every year what we call an establishment review committee. The job of this committee is to try and determine, after discussion with local authorities and in view of what is done elsewhere, what a reasonable establishment is

for the kind of operation that is being carried out, and then the hospital is told: "all right; this is what your establishment will be." If it is rather more than they asked for they are happy and if it is less than they asked for they are unhappy. You cannot have it both ways.

Mr. HARLEY: I have a question to put in respect of nursing assistants. It has nothing to do with the item in question. But, has the nursing assistants' course at Sunnybrook hospital been discontinued?

Mr. CRAWFORD: Yes, I discontinued this course in Sunnybrook hospital five or six years ago simply because I was not getting the applicants at Sunnybrook, whereas I am able to fill my school at Halifax.

I was falling flat on my face at Sunnybrook and Queen Mary. Also, at that time in Toronto a couple of other schools for nursing assistants sprung up. So, I am buying nursing assistants now rather than training them.

Mr. HARLEY: My last question relates to medical research and education. Could you tell us what is being done in that field?

Mr. CRAWFORD: Well, this is a pretty fixed vote, and it is to cover two things, medical research and the education of my full time technical people. I take a slice off the top of this every year and earmark it for sending people away on refresher courses of one kind or another. This involves technical people of all kinds and professional people, nurses, technicians, doctors, and all sorts of things. The balance goes to medical research.

We really embark on medical research for two reasons. First of all, we want to add something to the sum of medical knowledge. But, really that is incidental to the main reason. Because of the kind of medical staff we have in our hospitals they are interested in teaching and in research, and if we do not have a research program going in our hospitals we increase our difficulty in getting the kind of treatment staff we want. We have about 86 projects paid for under this. Two very expensive ones have to do with problems of blood coagulation and the effect on heart disease and coronary diseases. One expensive one deals with Parkinson's disease; it is a disease of the central nervous system, which mainly affects older people. In general, I think it would be safe to say that the majority of the research projects which we support under this vote are connected with the so-called degenerative diseases, which are the kind of things that are causing us the greatest problems in the type of patient with whom we now have to deal.

Mr. CHATTERTON: Could you tell me to what extent autopsies are carried out when a disability pensioner dies in a veterans hospital?

Mr. CRAWFORD: Well, our laboratory is almost swamped beyond capacity in coping with autopsies because we work on the basis of all good teaching hospitals, that an autopsy should be carried out in every case where it is possible to do so. Because of this we do a great many routine autopsies, which really do not teach us very much. But on the other hand, we cannot afford not to do them because we may miss one that is going to teach us a very great deal. As I said, our autopsy rate is extremely high. Our rate is far higher than any other hospital in the country, and I think I can say that quite safely for several reasons. Many of the veterans who die have no next of kin who can give or deny permission for an autopsy. We, the department, are in the position of parents in these cases, and in other cases the families seem quite willing to grant permission for an autopsy, knowing that we are a teaching hospital and that we really are interested in the information we are going to get from performing an autopsy.

Mr. CHATTERTON: Is there an arrangement with other hospitals that when a veteran dies at such hospitals they carry out an autopsy mainly in cases of a

disability pensioner for the purpose of establishing the cause of death and how it relates to his pensionable disability? I have in mind the case of a disability pensioner who died in the ambulance on the way to veterans hospital and the ambulance driver dropped him off at the Jubilee hospital. The widow maintained that if he had been taken to the veterans hospital an autopsy would have been performed and there would have been no question of the cause of death being related to his pensionable disability.

Mr. CRAWFORD: I am afraid there is no such arrangement. It would be extremely difficult to make one that would cover this sort of situation. Doubtless, the man arrived at the hospital dead. Perhaps it was only realized he was a veteran after he was buried. There would be a great many practical difficulties in this respect.

Mr. HERRIDGE: Because of the particular experience and type of patients your department handles is there any exchange of information with other commonwealth countries or with the United States bodies doing similar work?

Mr. CRAWFORD: I think there is a very good liaison between the United States veterans administrations and ourselves. I receive a great many personal letters from people in veterans administrations in the United States asking questions and, similarly, from the United Kingdom. I am writing the same sort of letters to people I know in both these administrations. But, I think perhaps the greatest media for exchange of information are the ordinary technical journals. Our doctors and other technical people publish a tremendous amount in the technical and professional journals in respect of what is being done in veterans hospitals, and this information is available to all sorts of people.

You will note I am asking for a certain amount of money here to subsidize the *Medical Service Journal*, which is the journal which is published by the Department of National Health and Welfare, the Department of National Defence and ourselves. However, we carry the lions share of this and make the greatest use of it. If we think that certain experiences which are interesting are not too suitable for the larger journals we publish these in this journal, which goes to all medical libraries and so on.

Mr. HERRIDGE: That would provide a very useful service.

Mr. CRAWFORD: Yes.

Mr. MACRAE: Mr. Chairman, if it is not your intention to adjourn for a few minutes I have a question I would like to put.

I would like to ask Dr. Crawford what percentage of the patients in veterans hospitals today would come under the disability pensioner group. What percentage are actually war veterans' allowance recipients and what percentage would fall in other categories such as the R.C.M.P., the military and so on?

Mr. CRAWFORD: I have that information here. Could I take the month ending July 31?

Mr. MACRAE: You may take any period you wish.

Mr. CRAWFORD: This is the last one we have done. There are two categories here. We have general treatment and combined treatment, which includes mental disease. However, excluding for the moment mental disease patients, disability pensioners accounted for 7.4 per cent of my patient load. Including mental, that figure goes up to 14.5 per cent. So, of the 6,300 patients in departmental hospitals on that day, 905, or 14½ per cent were in for the treatment of a pensionable disability. Armed forces and mounted police accounted for 4½ per cent or 236 people. Other federal departments, which would be sick mariners who come to us by virtue of the Canada Shipping Act and so on,

account for 1.6 per cent or 86 people. War veterans' allowance recipients receiving more or less active treatment, which would include the chronic care requiring a good deal of nursing care, accounted for 20 per cent or 1,055 people. In respect of the people classed as domiciliary care but who, in fact, might need a great deal of nursing care and most of whom are war veterans' allowance recipients accounted in July for 49 per cent of my population, although I cannot give you a more exact breakdown on that. Veterans who were seeking treatment on an elective basis—that is, those who have no real entitlement to treatment but have the privilege of coming to a veterans hospital if we have a suitable bed available—accounted in July for 14.3 per cent of my patient load.

Mr. MACRAE: There is only one figure that is not quite satisfactory to me and I do not mean to infer that you are not giving it in a proper way. The answer is just not satisfactory for my purpose. I am referring to your figure of 49 per cent, of which you say "most" are war veterans' allowance recipients. Could you break that "most" down. If you are unable to at the present time perhaps you could do that later.

Mr. CRAWFORD: Well, it might be possible.

Mr. MACRAE: Perhaps you could do that after some study of it. If you do not have it now there is no great rush for it. However, I would like to know eventually.

Mr. CRAWFORD: If you like, I will make an effort to do so. But, I will have to contact the district offices to find out the required information. If I picked one hospital would that be sufficient?

Mr. MACRAE: Yes, you could take Lancaster, if you wished.

Mr. CRAWFORD: You want to know how many of the section 29 UTR patients are in receipt of War Veterans Allowance.

Mr. MACRAE: Yes, and if you took Lancaster that would be satisfactory to me.

Mr. CRAWFORD: Yes.

Item 30 agreed to.

The CHAIRMAN: If we could call item 35 now we could let Dr. Crawford speak to that and then let him go on his way.

35 Hospital construction, improvements, equipment and acquisition of land.\$ 3,294,000

Mr. CHATTERTON: Mr. Chairman, I have one question in respect of that item.

Could Dr. Crawford give us some breakdown of the increase in hospital construction and improvements. I am interested only in the major construction projects.

Mr. CRAWFORD: I really cannot say why we are spending more money one year than another; I can tell you what we are doing with that money.

We are extending an operating room suite in Camp Hill hospital, in the amount of \$250,000. We are re-locating some power lines at Ste. Ann's in the amount of \$40,000; a standby generator at Sunnybrook in the amount of \$300,000; renovating the heating plant at Westminster, in the amount of \$225,000; altering the surgical and X-ray department of the Westminster hospital, in the amount of \$150,000; improving the laundry at Westminster hospital, in the amount of \$20,000, and putting in an elevator there, in the amount of \$40,000; changing boilers in Deer Lodge hospital, Winnipeg, in the amount of \$60,000; for a new veterans home in Saskatoon, replacing the old

one built on the airport, an expected amount of \$585,000; putting in some extensions and alterations to the laboratories at Shaughnessy, at a cost of \$500,000. Then we have an additional number of projects which individually cost under \$15,000; I am thinking of relaying floors and that type of thing. The amount is \$200,000 for that category of work.

Mr. MACE: If I could answer specifically the first part of Mr. Chatterton's question the reason for the increase, as you may recall, is that the government introduced an austerity program, as a result of which our 1963-64 appropriation was reduced considerably. So, we have reverted in 1964-65 to a more normal process, which accounts basically for the increase.

Item 35 agreed to.

The CHAIRMAN: There is part of one more item which I would like to have discussed this morning and then we would have only the one item left. I am referring to "burials and memorials", the details of which are at page 503, and this would come under item 15. Mr. Black is here and will be glad to answer any questions you have in this connection.

- 15 Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council and repayments under subsection (3) of section 12 of the veterans' Rehabilitation Act in such amounts as the minister of veterans affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments 5,340,100

The CHAIRMAN: Are there any questions?

Mr. O'KEEFE: I was not clear in respect of an answer given some time ago with regard to comparison of salaries. I asked for a comparison of the salary paid to the caretaker at Beaumont-Hamel and the salary paid by the war graves commission for the same duties elsewhere.

Mr. MACE: I cannot answer your question because I do not know how it relates. The salaries for these locally engaged people are set by treasury board and are relative to the same jobs at the foreign post. Quite frankly, we in the department just do not know what the situation is.

Mr. O'KEEFE: In connection with payments for veterans funerals has any consideration been given to increasing the amount allotted? My understanding is that there is a lump sum paid at the present time.

Mr. BLACK: The maximum provided by the regulations for D.V.A. veterans funerals is \$277. This was increased only a few years ago. We have had no recent representations nor is there any present intention to increase that.

Mr. CHATTERTON: Does this cover the war graves commission as well?

Mr. MACE: Your question was to the effect if this covered the commonwealth war graves commission?

Mr. CHATTERTON: Yes.

Mr. MACE: Yes, it does, but you must understand this is Canada's share of the cost of maintaining the commonwealth war graves, and the amount is \$476,000.

Mr. O'KEEFE: Can you tell me how many Newfoundlanders have taken advantage of the Veterans' Land Act?

Mr. HERRIDGE: Mr. Chairman, I have one question on a related subject. There are a number of cemeteries being flooded on the Columbia river as a result of this awful treaty. Numerous veterans have been buried in these cemeteries, and the department has supplied headstones. Has there been any correspondence with the British Columbia Hydro and Power Authority in respect of how these graves will be treated and what disposition will be made of the headstones. As you know, most of these cemeteries will be submerged.

Mr. BLACK: We have received no correspondence whatsoever on the subject.

Mr. HERRIDGE: From no source?

Mr. BLACK: No.

Mr. HERRIDGE: What would be your approach to this question?

Mr. BLACK: We would have to study this matter. If these are veterans graves for which the department is responsible I presume, we would have to relocate them in a suitable alternative cemetery. The problem has not arisen and I am afraid we would have to study it before giving an indication of a solution.

The CHAIRMAN: Gentlemen, I would like to have item 15 adopted. As you know, yesterday we discussed certain sections of this item and I would now like to have the whole item carried.

Item 15 agreed to.

The CHAIRMAN: That leaves only the Veterans' Land Act for our next meeting, which will be held next Tuesday morning at 9.30 a.m. in this room.

TUESDAY, October 6, 1964

The CHAIRMAN: Gentlemen, we have a quorum. I would like to call upon Mr. Pawley, who will make a few introductory remarks.

Mr. R. W. PAWLEY (*Director, Veterans' Land Act*): Mr. Chairman and gentlemen, with your permission I would like to introduce some of my staff.

The CHAIRMAN: Thank you.

Mr. PAWLEY: I have with me today, Mr. Chairman, Mr. Strojich, who is the acting senior administrative officer, and who has already been introduced to you; Mr. Hugh Lamb, who is the superintendent of the construction division at head office; Mr. M. G. MacArthur, who is the superintendent of the property and security division at head office; and Mr. W. F. Thomson, who is the acting superintendent of our farms division.

I would like to make a brief statement and pass out some information together with our most recent brochure.

Table A—provides a record of our activity of new business as it concerns farms, small holders, commercial fishermen and others.

Table B—provides information of a more static nature and gives some indication of the overall picture.

After 45 years, the last soldier settler who had an agreement for sale with the director has been issued a deed to his property. This almost marks the end of an era but one soldier settler remains for whom the director holds a mortgage. Remaining unpaid on this mortgage is the sum of \$10 which the old gentleman refuses to pay feeling secure in the knowledge that his mortgage is in safe hands.

Our administrative costs, largely contained under Vote 40, bear a relationship to the volume of business which is performed. Tables A and B reveal the fairly consistent volume of business one year with the next. The total expenditure in loans, for the early part of this year, is down about 6.5 per cent, which means very little change from the previous fiscal year.

In spite of the fact that the trends imply the volume of business will decline only slightly for the next fiscal year, this in all probability will again be offset by an increase which normally follows any amendment contemplated to the act and which was indicated by the Minister in his opening remarks to this committee.

We have forecast reasonable savings in legal fees, travel costs, telephones and expenses for regional advisory committees. As time goes on, with good planning and proper utilization of staff, a continued downward trend in our costs should result. On the opposite side of the ledger, as costs reduce our interest return on investment increases, and it is proposed that fees for our appraisal services to other departments will be charged.

Concurrent with the Glassco commission report and knowledge gained from training courses, our administration is alert to the principles of improved financial management. Consequently, we are contemplating a reduction of the use of outside members for the qualification of veterans; it is our intention to reduce the maintenance of building insurance records and let the veteran be responsible for keeping his own insurance in force; we are introducing techniques into the administrative operations which will permit better long-range planning and a less complicated method of producing Estimates.

As of November 1, 1963, the 14,300 farmers established under the act owed the director \$5.8 million in due payments. As of August 20, this had been paid except for \$177,000 or only 3 per cent of the total due. It is expected that 1963/1964 will be the best farm collection year since inception of the act.

On March 31, 1964, the 33,000 small holders owed arrears of \$100,000—which represented 1 per cent of the \$10 million due.

As the result of permitting veterans to pay taxes with their due payments, together with other reasons, the tax arrears of over two years have been reduced 30 per cent for small holdings and 20 per cent for full time farmers during a one-year period. The number of veterans who have made arrangements to have their taxes paid in this manner has increased from 3,200 in December 1962 to 11,350 as of October 1964.

While the procuring of VLA life insurance has not been as great as anticipated, nevertheless there are nearly 6,000 policies in force with total coverage of approximately \$30 million. Insurance has been paid to beneficiaries amounting to \$66,000, representing 15 policies.

During the past winter, 187 veterans qualified for the \$500 incentive bonus. The value of the housing for those who qualified totalled \$2,244,000.

If the provisions of the act can be brought up to date and those presently serving in the armed forces maintain an interest in obtaining assistance, it is my forecast that our business may show a small decline during the next two years but a last-minute upsurge just prior to 1968. Since the act now stipulates that no person can be qualified after October 31, 1968, this will mean that about 20,000 qualified veterans will have to be dealt with after that date.

When this is complete, the administration will adopt the role of housekeeper for about 40,000 to 50,000 veterans who will have agreements for sale with the director. Under the Soldier Settlement Act, it took over 40 years before the last settler had paid his debt and was granted title to his property.

The CHAIRMAN: Thank you very much, Mr. Pawley, for that very interesting talk.

The items with which we will deal today are 40, 45 and L55. We will then turn to item 1, which deals with administration.

May we therefore now turn to page 511 and deal with item 40:

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

40. Administration of Veterans' Land Act; soldier settlement and British family settlement; up-keep of property; Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the governor in council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the director therein 4,330,600

Mr. HERRIDGE: Mr. Chairman, the director mentioned the question of advancing the date. Are there any implications in that statement? Are there any details of the act that require to be brought up to date?

Mr. PAWLEY: Mr. Herridge, I think there are other implications, but I am not prepared to divulge them at this particular time.

Mr. CHATTERTON: May I first say to the director that, as far as I am concerned, co-operation with him and his staff has been very satisfactory.

On the table which you have given us there are no figures quoted for the number settled under the Small Family Farms Act; I think it is 64(A).

Mr. PAWLEY: Mr. Chatterton, I cannot give you that information precisely. I think I can give you approximate information.

Mr. CHATTERTON: That is good enough.

Mr. PAWLEY: In 1962-63 we established 267 new settlers as full time farmers. In 1963-64 we established 242 new settlers as full time farmers. Very few of these came under the small family farm establishment. The provisions of the act for small family farms were introduced in 1962 mainly to take care of those veterans already established. I would venture to say that there were not probably more than 25 during the one year, and I think I am being a little liberal in that respect.

This group, however, does obtain additional assistance under the act, and in 1963-64 we loaned money to 388 farmers in this category.

Mr. HERRIDGE: Could you give us the distribution by provinces?

Mr. PAWLEY: I am sorry, Mr. Herridge, but I have not the distribution figures. However, I see that Mr. Thomson has the answer to that question.

Mr. W. F. THOMSON (*Acting Superintendent, Farms Division*): These are all the veterans who have had 64A loans. British Columbia, 53 or 65 per cent. Sixty five per cent of the farm loans made in British Columbia were for the small family farm type of loan.

Mr. PAWLEY: Are you interested in any other province, Mr. Herridge?

Mr. HERRIDGE: Has Mr. Thomson the figures for the other provinces?

Mr. THOMSON: In Alberta, 50 per cent of our loans were of this type. In Saskatchewan, 20 per cent of our lending to full time farming was to the small family farm type of farmer; Manitoba, 35 per cent; Ontario, 20 per cent; Quebec, 70 per cent. Across Canada as a whole, about one third of our lending has been to the small family farm type of farmer.

Mr. HERRIDGE: Is there any particular type of small family farm that seems to be favoured?

Mr. ROCK: Do you mean such as fruit farming and that type of thing?

Mr. HERRIDGE: Fruit, or stock, dairy or poultry.

Mr. PAWLEY: We do not keep this record separately. We have the impression that there is no particular type of farming to which this applies more than to any other type.

Mr. HERRIDGE: Have you any instances of lending money for a small family farm which included some element of tree farming?

Mr. PAWLEY: There has not been enough to be significant, Mr. Herridge. As far as tree farming is concerned, we will loan money for certain aspects of course, but there has not been very much demand for assistance.

I would like to explain that the lending of money to a small family farmer is a little different from some other types. We expect in these cases that a farmer will have an outside income. While he is known in the area as a farmer and was established as a farmer under the act initially, he may have an outside income varying from a small amount to a substantial amount.

Mr. Thomson can give you some figures of income in this group.

Mr. THOMSON: We made a statistical selection in British Columbia to give us an idea of the position of our farm lending. I will just tell you briefly how the farmer derives his income and the approximate amount of income.

In the first loan, the man concerned is proposing to have a \$2,200 income from the farm after he obtains his loan, and he has \$1,000 from outside income. His method of farming is eggs and poultry, and his outside income is from other investments.

The man concerned in our second loan proposes to have a \$3,300 farm income as a result of the loan he will obtain from us, and he will have \$782 outside income. His farm income is from sheep, and his outside income is from a pension and from work in a packing house.

The next loan concerns a man who proposes to have a \$4,000 farm income and who has an income of \$3,200 from outside sources. His farm income is from trees and timber, and his outside income is from the saw mill.

The next loan concerns a man who proposes to have an income of \$1,600 from his farm and who has an income of \$3,400 from outside sources. His farm income is from milk and cream and his outside income is from appraisal. I think he is an insurance appraiser.

The next loan concerns a man who is dropping his outside income and who intends to concentrate on his farm.

Mr. PAWLEY: I think this sample and the figures has probably given you a pretty good idea of what we are doing in connection with lending to small family farms. I think I can safely say that this same pattern exists across the country, perhaps it has a little greater emphasis in some provinces than others.

Mr. O'KEEFE: Would those approximate figures apply to Newfoundland as well as to other provinces?

Mr. PAWLEY: As far as Newfoundland is concerned unfortunately there are not too many farmers of this type. However, I can give you a breakdown of our establishments in Newfoundland. There are no farmers established under section 64 in that province, but there are 19 provincial land settlements. I think most of these are farmers. There are nine commercial fishermen and 258 smallholders.

Mr. CHATTERTON: I am trying to find out why there are so few who use 64A. If I understand it correctly, smallholders are required to have steady employment; it is defined fairly rigidly. Is 64A not meant to be in between? Are the requirements too high? Why are there so few?

Mr. THOMSON: We have no figures to show the new numbers for 64A, but we have quite a number of new 64A loans, and I am basing this statement on my examination of each appraisal as it comes in the office; 64A is just as important and just as significant. Not only to new men but to men already established who are making very good use of these loans under 64A.

In the province of British Columbia, 65 per cent of the farming loans are in the 64A category. Of that percentage, about 11 per cent is for land, 4 per cent for debts on land, 47 per cent for permanent improvements, 8 per cent for purchase of livestock, 15 per cent for debts on cattle and 15 per cent for farm labour and taxes.

In British Columbia especially, our 64A loans are very good loans. The total debt, including outside debts, in British Columbia, are \$8,800 against a security in land only, not including livestock, of over \$17,000. So we have over 50 per cent equity in land security.

Mr. CHATTERTON: Would you say the \$12,000 is a limiting factor in many cases?

Mr. PAWLEY: I think Mr. Chatterton I had better deal with this particular point. There may be something in the suggestion you make. However, I would like to draw your attention to the fact that we have 14,000 farmers established under the act. Of those 14,000, in 1963-64, 1,268 had additional financial assistance, and of that group approximately one third were the small family farmers.

I think you will realize farmers spread their loans over the years, and in many cases there is some reluctance to borrow money. Actually, while I thought that the assistance provided for the small family farmer might be a little higher in number, nevertheless I am satisfied that the percentage of the total loans is in keeping with the situation as I see it.

Mr. HERRIDGE: Mr. Chairman, I think that is very interesting information. I think that is a very practical and sensible approach to this section of the act, and I know from personal experience numbers of men who have established themselves most successfully along the lines indicated by the illustrations given by the witness.

Mr. ROCK: Can you clarify your summary on the Veterans' Land Act with regard to small family farms and part time farming? According to your explanation, the man who runs a small family farm does so as a more or less part time job and is working somewhere else. Then there is the other section which deals with part time farming. Can you explain the difference between the two?

Mr. PAWLEY: It might be well to give you a brief summary of each category.

We refer to the top group of farms as the commercial family farm operated by farmers who are normally expected to be on economic farm units or who are heading in the direction of building economic farm units. The small family farmer is the person who usually is established on much less acreage and who obtains his income not only from the farm but from outside employment as well, but who was established as a farmer initially and who is known as a farmer in the area. The third category is that of the part time farmer to whom we refer as a smallholder. This is normally the veteran who is established on half an acre of land and who is employed 100 per cent in a city, in commerce, industry or government, or whatever the case may be, and who uses the property as his home and not as a place of business as in the case of the other two categories.

Mr. Rock: Can the part time farmer live in a city and just dwell on his one acre of land during the summer?

Mr. PAWLEY: No, he cannot; he must reside on his property.

You will appreciate there are always one or two people who find it inconvenient to reside on their small holding outside a city. We take the attitude, however, that if a man wishes to have another property for the summer and to live in the city in the winter he would then buy the smallholding on an agreement for sale which would call for an interest rate of 5 per cent, and he would not be entitled to the benefits under the act.

Mr. Rock: If the veteran has already used up his re-establishment credit, can he still go into this enterprise? I have in mind the 10 per cent down payment when the veteran first starts in the enterprise.

Mr. PAWLEY: Yes, by repaying his reestablishment credit.

Mr. Rock: Even if his re-establishment credit is away over that 10 per cent?

Mr. PAWLEY: Yes, regardless of that.

Mr. O'KEEFE: Mr. Chairman, you said there were 19 provincial land settlements in Newfoundland. Can you tell me how many Newfoundland veterans take advantage of the Veterans' Land Act and other benefits that are readily available to veterans? If you have not the information available now perhaps it could be given later. I do not desire to hold up the committee, Mr. Chairman; I will be satisfied to have the information later.

Mr. WALSH: It is estimated that there are about 9,200 veterans in Newfoundland. I cannot supply you with any figures other than those which have already been supplied for the Veterans' Land Act. Is this satisfactory?

Mr. O'KEEFE: Perhaps I can get the 19 land settlements broken down by asking our own provincial office.

Mr. PAWLEY: We would be glad to supply you with that information if you would care to leave it with us.

I might mention that we have made it known in the province of Newfoundland that the director will consider establishments on provincial land property even on an average of less than half an acre. A veteran can thereby obtain a grant under section 38 of the act of \$2,320. This was made known to the group in Newfoundland by radio and by other means some two or three years ago. I feel that the greatest handicap here is that they must deduct the pre-confederation benefits, of which probably you are aware. As a rule this gives a net amount of about \$1,600, which apparently is not quite enough to do the things they want.

Mr. HARLEY: With regard to the Veterans' Land Act table "B", can you explain exactly what is meant by the last sentence which states "Veterans qualified not established"?

Mr. PAWLEY: Until now veterans have had to make application to be qualified. This is the first step in the process. Upon qualification and after consideration by a regional advisory committee these people are notified that they are qualified either subject to the repayment of the re-establishment credit or otherwise. The number of 20,022 who are qualified at the present time are those veterans who are on our books as having firmly indicated their desire to be established under the act.

I think you will appreciate, however, sir, that all these veterans are not apt to be established, but since inception there have been about 60 to 70 per cent established of those who are qualified, and it is not unreasonable to expect that out of this 20,000 there may be 12,000 to 15,000 established.

Mr. CHATTERTON: This is the group that would be eligible for establishment after October 31, 1968?

Mr. PAWLEY: Yes, unless they have cancelled or unless they have indicated they are not interested and unless, of course, they are established in the meantime.

Mr. CHATTERTON: At one time you used to carry out a purge whereby you went through all the old files and wrote to the veterans, and if they did not reply you automatically cancelled qualification. Do you still do that?

Mr. PAWLEY: Yes, we do that but possibly not quite to the extent to which we did so previously, and for this reason. As you know, the cut-off date in the act for qualifications is October 31, 1968. From now on we feel that it is necessary to have a pretty firm policy established not only for the Veterans' Land Act but for other parts of the department, and for this reason I would say that the purge is not quite as rigid now as it used to be.

Mr. CHATTERTON: But it is still going on?

Mr. PAWLEY: It is still going on.

Mr. CHATTERTON: Let us say veteran Jones is qualified and is issued a qualification certificate and is secure in the knowledge and is aware of the fact that as long as he is qualified he can get established after 1968. Let us say he moved to some other address and that you write to him and get no reply, and you cancel his qualification. He then comes to you on November 1, 1968, and you say to him, "I'm sorry, we cannot establish you because you are not qualified." He says, "I am qualified; I didn't ask you to cancel my certificate." What position will he be in then?

Mr. PAWLEY: Between now and 1968 there should be some extensive advertising so all veterans will know of their position in this respect.

Mr. CHATTERTON: Are you proposing to do this?

Mr. PAWLEY: This is a matter of departmental policy, which has not been discussed in detail as yet. As far as we are concerned, I would doubt very much whether we would disqualify a veteran at this stage unless we were absolutely sure, and this would mean a written statement from him that he was not interested in V.L.A.

Mr. LANIEL: Mr. Pawley, in your pamphlet there is mention of a provision to prevent speculation on pieces of land bought by a veteran from the director. I am wondering about this mortgage of ten years. It is said that it is to prevent speculation, but once a veteran buys land is there not some provision in the law whereby he has so much time to establish himself on that lot?

There is another question I have been asking myself. What happens if the veteran dies, let us say, four years later? Will his estate suffer because of that mortgage? Actually, this is not a case of speculation. The mortgage is for the difference between the fair market value and the price at which he buys from the director.

I admit it is a good thing to prevent speculation but I am wondering if it does protect a veteran's estate if he is unfortunate enough to die or to be sick, or if for some other reason he is forced to sell his property.

Mr. PAWLEY: I would like to say in answer that the second mortgage applies to a property that has been subdivided for part II purposes. Such a subdivision was developed recently on the outskirts of Ottawa known as Murchison Place. As you say, the second mortgage is for the difference between the market value and the selling price and it is in order to prevent speculation. The veteran taking advantage of part II under the act does not get any benefits other than our assistance in house construction and some legal fees which are paid for him by the department, after which his mortgage is transferred to C.M.H.C. at the current rate of interest. So there is no benefit in these particular cases.

Because the land was bought at a good price initially in 1944 many veterans could make a substantial profit in excess of the grants that are available under other sections of the act, and it was for this reason that the second mortgage was placed. There are only two subdivisions to which this applies, the one outside Ottawa and another in North Bay. This is a self-liquidating mortgage.

Mr. LANIEL: Ten years.

Mr. PAWLEY: It self-liquidates in ten years and the major portion is liquidated in five years. It would appear to me that if the veteran died the property would naturally go to the heirs. Assuming it would go to his wife, if she stayed on the property I would see no reason why any other disposition would be made of the second mortgage than would normally have been made if the veteran had lived.

Mr. LANIEL: But there is a possibility that the widow might have to sell her house and reorganize herself.

Mr. PAWLEY: In that case I think as director I would want to look at the circumstances and decide with the minister whether or not we could give special consideration to the case. I do not think we would be too hidebound in this particular case if it were proven to us that there was no speculation.

Mr. CHATTERTON: Do I understand that you have discretion to abandon that?

Mr. PAWLEY: We have discretion, with the approval of the governor in council.

Mr. CHATTERTON: With regard to part II, provincial land and dominion land, can you give me figures for 1963-64?

Mr. PAWLEY: The number approved for assistance under part II is 149 as of March 31, 1964.

Mr. CHATTERTON: How does that compare with the previous year?

Mr. PAWLEY: In the previous year the figure was 163.

Mr. HERRIDGE: Mr. Pawley, where are those settlements on provincial land located? Are they in all provinces?

Mr. W. STROJICH (*Acting Senior Administrative Officer, Veterans' Land Administration*): I cannot give the breakdown for the provinces. It depends upon the agreements that the government of Canada has with respective provinces.

Mr. HERRIDGE: They vary, do they?

Mr. STROJICH: The actual agreements vary to some slight extent depending on how the land is transferred and how the land is held, but basically the financial assistance is the same across Canada. The provinces with whom the government of Canada has agreements are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Newfoundland. There is no provincial land available in Prince Edward Island and none in Nova Scotia. There is also an agreement with the Department of Northern Affairs and National Resources for establishment on a very similar basis in the national parks, in the Yukon and in the Northwest Territories.

Mr. HERRIDGE: Would you mind telling us what type of settlement occurs usually on this provincial land. What type of farming is it?

Mr. STROJICH: The type of settlement is largely, if I may use an expression which you will understand, the homestead type of farm. Then there are a number of small holdings on a very limited acreage. There are commercial fishermen and there are trappers, and there are some woodsmen.

There are some slight variations. For example, in Alberta there is a special agreement for the establishment of veterans on some of the newly irrigated land in the St. Mary and Milk river irrigation development. Land was obtained on a lease basis, very similar to any other leases they have in the province of Alberta, at very favourable rates. There are also developments such as those in the province of Alberta where the province itself has cleared land and the land has been made available for veterans under the Veterans' Land Act under the usual homestead lease provisions of the Province.

Mr. HERRIDGE: Is that the only province which has cleared land?

Mr. STROJICH: It is the only province with which I am familiar that has cleared land, but the province of Quebec has provided substantial assistance when, for example, the farmer himself has cleared land. In that case the province has paid a subsidy. There are also subsidies paid by the Quebec government when, for example, a house is erected or a barn is erected. This supplementary form of assistance is available in a number of provinces.

Mr. CHATTERTON: I notice there was a very substantial reduction in the part II loans—583 in 1960-61 and 285 in 1961-62. That was before the acreage was reduced for smallholdings, was it not? Is the advance under part II still \$10,000?

Mr. PAWLEY: The maximum assistance under part II is \$12,000.

Mr. CHATTERTON: I am speaking of the advance made for construction purposes.

Mr. PAWLEY: You mean the down payment?

Mr. CHATTERTON: No, I am speaking of the maximum loan under part II. It is an advance of \$10,000 and the balance of the mortgage is made available only after the house is completed. Is there any change?

Mr. PAWLEY: We advance \$12,000 to a veteran under part II. If his salary equates and if his house has sufficient value for mortgage purposes he can increase his loan to the maximum available under the Central Mortgage and Housing Corporation.

Mr. CHATTERTON: The advance is \$12,000 not \$10,000?

Mr. PAWLEY: The advance is \$12,000.

Mr. CHATTERTON: Then after the house is complete there is the balance of the mortgage?

Mr. PAWLEY: Under certain circumstances.

Mr. CHATTERTON: If his salary allows?

Mr. PAWLEY: Yes.

Mr. CHATTERTON: Is there any other reason for the decrease in the part II cases? Are you still putting up part II subdivisions? Is that a factor?

Mr. PAWLEY: No, it is not a factor. The single reason is that the half acre establishment under the act is much more attractive to veterans.

Mr. CHATTERTON: Have you any figures on the increased cost of construction, say in the last two years?

Mr. PAWLEY: Mr. Lamb will give you that.

Mr. H. LAMB (*Superintendent, Division of Construction*): I have them up to the end of 1963. The average cost for 1961 for housing was \$10,772; 1962, \$11,827; 1963, \$12,557.

Mr. HERRIDGE: For the same type of house?

Mr. LAMB: That is for all housing, Mr. Herridge. I have another figure here which may be of interest but unfortunately I only have it for 1963. For the type of house such as an \$8,000 to \$15,000 bungalow or house the figure was \$11,760. The upper figure, of course, was for two storey houses, bigger houses.

Mr. CHATTERTON: You have no figures to show how the 11 per cent increase in tax would increase the cost?

Mr. LAMB: Yes, I think I have. I can tell you offhand that it is about 2 per cent.

Mr. CHATTERTON: Is the \$500 winter bonus paid to the applicant himself or to the V.L.A.?

Mr. PAWLEY: Mr. Lamb can answer that.

Mr. LAMB: That is paid to the applicant himself.

Mr. CHATTERTON: And for smallholdings also?

Mr. LAMB: In all cases.

Mr. CHATTERTON: So he can go on a trip with it if he wants to do so?

Mr. LAMB: That is true. He gets it himself directly.

Mr. LANIEL: To follow up what you have just said—aside from the two cases you identified of property in the lower price market—in general your properties are sold at fair market value prices except in two cases? That is the impression you gave me. Why do these two cases exist if it is generalized?

Mr. PAWLEY: Recalling from memory, the provision was put in the act around 1952. It was put in the act, to use a famed expression, after the horse was stolen. There are two properties which give rise to the opportunity to make excessive profit by speculation and they are really the only two that have come up since that date, Mr. Lanial. I am referring specifically to the establishment under part II of the act. If we establish the veterans as smallholders on land that we own, under part I and part III of the act, then of course this does not apply. In this case, the veteran is sold the land at cost to the director and speculation is controlled because there is a conditional grant connected with his establishment.

Mr. LANIEL: The reason why I ask this is that I have been wondering why a veteran in Chateaugay, let us say, who buys some land you own should not have the same benefit, even admitting the fact that he can have a mortgage to prevent speculation, and why it should be impossible for him to buy the land at your cost price instead of at the fair market value as is the case in the two specific properties where there is that advantage.

Mr. PAWLEY: You are speaking of Chateaugay. If a veteran is established in Chateaugay under the act, this land will be sold to him at cost.

Mr. LANIEL: Which will be below the fair market value?

Mr. PAWLEY: It should be.

Mr. LANIEL: I was just trying to clarify the impression I obtained from what I have read here.

Mr. PAWLEY: As I recall the prices in Chateauguay, Mr. Laniel, I think because of the lack of demand—I do not think there is that much difference between our cost and the market value—we probably should not clutter up the title with a small second mortgage. In these circumstances we probably would not clutter up the title with a small second mortgage, but in cases where there is a substantial difference, we feel that we should protect the director from a greater risk of speculation.

Mr. ROCK: Can the veterans who are now established under the Veterans' Land Act also participate in the Farm Improvement Loans Act or in the newly proposed farm machinery syndicate act?

Mr. PAWLEY: Veterans established as farmers under the act can obtain assistance under the Farm Improvement Loans Act provided everything is equal. As far as the new assistance for farm machinery is concerned, I am afraid my answer in this connection has to be with some reservation because it is just this morning that I saw a copy of the bill. However, I would see no great barrier against a veteran established under the act obtaining a loan for farm machinery in the manner proposed. The only handicap that he might suffer is if he has not sufficient security and would have to offer his farm for a security because, as you know, the property is in the name of the director and cannot be used for security for purposes such as this.

Mr. ROCK: Suppose he has just a little balance left for repayment and he arranged to repay you through the other act, what happens then?

Mr. PAWLEY: This is possible, and it is being done to some extent.

Mr. CHATTERTON: I believe the maximum loan under the commercial farming provisions is still \$20,000; is that right?

Mr. PAWLEY: It is, under the Veterans' Land Act.

Mr. CHATTERTON: I know there has been an increase recently under the Farm Credit Act but if you have an indication of a veteran wanting to repay D.V.A. in order to use a larger loan under the Farm Credit Act, what do you do?

Mr. PAWLEY: We have not had any indication of veterans wanting to repay for this reason. It is rather interesting, as a sideline, that in a sampling of the loans made in June in two areas there were about five to seven per cent of the veterans who qualified for a loan of \$40,000. From this you can see that as far as money is concerned the larger amount does not seem to be too much of an enticement.

Mr. CHATTERTON: Of course those are already established. Presumably, if the government thought that farmers needed credit of up to \$55,000, then the V.L.A. farmers would not need more credit.

Mr. PAWLEY: I did not say that. I think that many of our farmers do require more credit.

Mr. CHATTERTON: If one of these farmers were to come to you now and say, "I want to pay out my V.L.A. loan so as to pay my farm credits" would you tell him to go away?

Mr. PAWLEY: I might tell him that the minister had indicated that there may be amendments, and that if he could afford to wait, this might be in his interests.

Mr. CHATTERTON: That is a good answer.

Mr. MACRAE: My question has to do with establishments. In table "B" the total number of staff for the V.L.A. is shown as 651. On page 511 of the estimates the establishment is shown as 795. Is it correct then that your department, Mr. Pawley, is working at 144 under the establishment?

Mr. PAWLEY: Actually the establishment, as it stands now for V.L.A., is 674.

Mr. MACRAE: It is shown as 195 on page 511, at the bottom of the second column of the estimates for 1963-64.

Mr. PAWLEY: This was the official establishment at the time these estimates were made up. The establishment that we are going on now is 674, and our actual number on staff is 651.

Mr. MACRAE: I notice there is a small decrease of 14 as between 1962-63 and 1963-64. Is it anticipated that there will be a continuing slight decrease each year?

Mr. PAWLEY: Yes, this is what we anticipate. As the work load declines and staff members reach retirement age or go to other employment it is not our intention to refill positions unless we feel that it is necessary. If it is necessary, we will, however, take steps to refill them.

Mr. MACRAE: In other words, you will not fill the redundant positions.

Mr. CHATTERTON: What percentage of your field staff are now handling both construction and small holding settlements?

Mr. PAWLEY: There are 30 field officers who are handling both construction and small holdings.

Mr. CHATTERTON: Is it working out well?

Mr. PAWLEY: Yes, it is working out very well. In theory it should be the ideal, and I think it is satisfactory.

Mr. CHATTERTON: Do those who qualify for both construction supervisor and settlement officer have a higher rating?

Mr. PAWLEY: Yes, they are classified as field officers, which is a slightly higher rating than construction supervisor.

Mr. HERRIDGE: Mr. Pawley, you know, indirectly at least, that I am very concerned about the veterans settled under V.L.A. or other veterans who will be affected by dams being built under the Columbia river treaty. I might explain I would like a fairly complete answer because I intend to send a copy of the minutes of this meeting to every veteran residing between Castlegar and Revelstoke.

My point is this: Could you explain to the committee, in view of the fact that you have a title in the name of the crown and you are dealing with an authority that operates in the name of the crown in the right of British Columbia, what is your legal position with respect to dealing with the properties that come under V.L.A. jurisdiction, and what your department proposes to do to assist these veterans? I might say I had a letter this morning from a veteran in the Shaughnessy hospital. I know him quite well. As a matter of fact, I will give you a copy of his letter. These veterans are very anxious to get the support and advice of the department.

Mr. LANIEL: What about the non-veterans?

Mr. HERRIDGE: I am looking after them, too, but this happens to be the department concerned directly with veterans affairs. I do not overlook anyone in my constituency.

Mr. PAWLEY: As I understood your question, Mr. Herridge, you have asked what the legal position of the director may be in this matter of expropriation as it concerns the Columbia river development. The second part of your question, as I understand it, is what do we propose to do to assist the veterans who are being expropriated.

Mr. HERRIDGE: Or whose property is being purchased.

Mr. PAWLEY: Yes. I think that you must appreciate that the director of the Veterans' Land Act and his staff who represent him in the field can only have some influence on properties in which he has an interest or in which the veteran has an agreement for sale with the director. As a result of many years of experience in this particular area of expropriation, which started in Ontario from 10 to 12 years ago, and having knowledge, in the second place, that veterans established under the act usually are pretty astute people, we attempt to take the attitude which would place them in exactly the same position as anyone would be placed if he were not under the Veterans' Land Act and had some slight protection. The legal position of the director is this; he cannot agree to a settlement in the case of either negotiations for the purchase of the property for this purpose or for any ultimate expropriation that may take place without the veteran's consent. The veteran has to consent.

Mr. HERRIDGE: That is a very important point.

Mr. PAWLEY: Otherwise, if the director agreed without the veteran's consent, he would be leaving himself liable to court action. However, the act prescribes, and I refer to the Veterans' Land Act, under section 24(a), that when the expropriating body and the veteran cannot agree on the amount of compensation for the property in question, then the expropriating body may apply to the director to seek authority from the governor in council to expropriate the land.

Mr. HERRIDGE: The governor in council of Canada? That is the great protection for the veteran.

Mr. PAWLEY: The director here again does attempt to act as a referee, and probably even before submitting it to the governor in council may do everything possible to get the expropriating representatives together with the veteran and attempt to work out a satisfactory settlement. If this is not possible, then it is submitted to the governor in council who give their approval, and then the case is heard before the appropriate expropriating body in the province, called the arbitration board.

Mr. CHATTERTON: Under the provincial law?

Mr. PAWLEY: Yes, and compensation is designated by this board. In this way they are placed on exactly the same footing as anyone else might be in that area. However, I will agree that in this particular set-up, under the Veterans' Land Act, the director is the owner of the land, and he has to be satisfied with the amount of compensation that he receives because of his liability, but he is not going to support the veteran beyond the point that he, in his wisdom, thinks is reasonable. If the veteran is not prepared to accept this amount, he is perfectly free to let his land be expropriated and compensation settled in the courts.

Mr. HERRIDGE: Well, Mr. Pawley, most of the veterans concerned, like most of the residents concerned, believe that they are entitled to relocation or to a satisfactory replacement value. Would you agree with that as a just approach?

Mr. PAWLEY: I am afraid, Mr. Herridge, you cannot get me to agree to that particular point. I would agree to it in certain circumstances, in other circumstances I may not. So that as a flat statement I am afraid that I could not go on record to this extent. I, as director, see all these cases before they are submitted to the governor in council. Up until that time I see very few, as a person. Because of this I would refuse actually to place myself in the position of saying that something is right or something is wrong without knowing precisely the grounds and what the circumstances are.

Mr. GROOS: In general, I would support Mr. Herridge in the statement that he made that, generally speaking, if the veteran is going to be expropriated

by a provincial authority, he is entitled to indemnity which will enable him to relocate.

Mr. HERRIDGE: It is either relocation or replacement value.

My question is this: Do you think that any veteran or any other property holder should be called upon to suffer a loss, a sentimental loss that cannot be compensated, owing to his being affected by a development which is presumed to be in the interests of Canada?

Mr. PAWLEY: Well, being a human being, Mr. Herridge, I cannot suggest that any person affected by something of this nature should bear any loss. Unfortunately, however, the interpretation of a loss in some people's minds is a little different from what it is in other people's minds. If it is a straight financial loss and can be proven, then I would agree 100 per cent with you that this person has no right to suffer a loss.

Mr. HERRIDGE: The reason for this formula being worked out and accepted by the residents on the Columbia river is that, surely, all those people, veterans and others, are entitled to relocation under similar circumstances, or, if that is not possible, to compensation equal to a satisfactory replacement value. In the long run, even if, in financial terms, the veteran or other property holder does not suffer any loss whatever, there are many intangibles that cannot be paid for. Would you support that thesis, Mr. Pawley? I am sure you would.

Mr. PAWLEY: I will say this, Mr. Herridge, and you know perfectly well that I am not going to commit myself definitely on this particular point. I think you know me well enough to realize that we are not going to get into this position as far as our veterans are concerned because I think that we can pretty well prove in one way or another that reasonable compensation has been paid. So that, to me, the question of loss is academic because I do not believe that such will exist.

On the other hand, I have had an up to date report from Mr. McCracken, who is in British Columbia at the present time and who was formerly my senior administrative officer and has been sent to British Columbia to get two years' experience in the field at the grass roots, after which he will come back to Ottawa. He has looked this situation over very carefully in the Columbia river area. In that portion of the area which has to be acquired before February we have three properties.

Mr. HERRIDGE: That is around the damsite?

Mr. PAWLEY: Yes. We have three properties in this specific area. Mr. McCracken said that one is settled, the second one is considering acceptance of the offer, and he knows nothing about the third one as yet. Now, I can only go on this report, and it seems to me that the authorities appear to be reasonably fair in their approach to this problem.

Mr. HERRIDGE: Thank you for that answer, Mr. Pawley.

I have been following the expropriations on the St. Lawrence seaway, some undertaken by the National Capital Commission, some undertaken by the Saskatchewan dam authorities. Now, is it not correct to say—and I am asking this question on the basis of a long discussion with one of the persons very closely associated with this development years ago—that on the St. Lawrence seaway the policy followed with respect to the purchase of property was relocation, which was done in most cases, or a satisfactory replacement value?

Mr. PAWLEY: I am not too familiar with the settlements on the St. Lawrence seaway as such. I will say this, Mr. Herridge, that having looked at quite a number of court cases on this very matter, time and time again the judge has indicated that the settlement was based on the cost of placing this person in a new location.

Mr. HERRIDGE: I think that principle has been enunciated several times by decision.

Mr. PAWLEY: I could, however, if time permits, probably draw other examples where this would not apply. But I do not think these should be mentioned as they are probably much less numerous. If the judge looks on settlements in this manner, far be it from me to look at it in any other way.

Mr. GROOS: Could I ask a supplementary question here? Could we have some idea of the numbers involved? Mr. McCracken reports there were three in the area of the damsite to be expropriated before February. What is the total number involved?

Mr. PAWLEY: Somewhere in the vicinity of 50.

Mr. ROCK: Mr. Chairman, I have a supplementary question. If a veteran whose land is expropriated by the provincial authorities wants to fight the case in a court, does the department help him out with the legal fees and with hiring an expert to prove his case of relocation, or does this have to come out of his own pocket?

Mr. PAWLEY: The veteran would have to be prepared to defend his own position in a court. I think this is only fair. If he wants something much beyond what the director or his representatives feel it is worth and much beyond what the expropriating body are prepared to give, then I think it is only right and proper that the veteran should be prepared to defend his own case in court.

Mr. ROCK: Do you not find that it is very expensive if he has to go through this procedure?

Mr. PAWLEY: Well, court action as a rule is always expensive. I think it is a matter of degree whether or not the compensation he is seeking is reasonable.

Mr. CHATTERTON: Can that veteran's lawyer subpoena your file on the veteran, or must you consent? Has it happened? Has the question arisen?

Mr. PAWLEY: It has not happened but it would be quite possible and legal, I presume, to subpoena our appraiser into court in these circumstances.

Mr. CHATTERTON: I have another supplementary question. Is it possible or likely that the governor in council, under section 24(a), would consent to arbitration, providing the expropriating body guarantees payment in the amount that you establish is fair?

Mr. PAWLEY: I think, Mr. Chatterton, you will appreciate that I cannot say what the governor in council may do. Our policy in this connection is as follows: If the director feels that the compensation on this particular case is "X" number of dollars, regardless of what the expropriating body may be offering, the expropriating body must deposit this money with the director. If, after it goes to expropriation the settlement is less, then the difference would be refunded. If it is more, then, of course, the expropriating body would pay more. Does this answer your question?

Mr. HERRIDGE: I have another question. I am particularly interested in this, as you know. Were any veterans holding properties under V.L.A. expropriated by the National Capital Commission?

Mr. PAWLEY: Yes.

Mr. HERRIDGE: Would you agree then—I have a list of all the properties—that the relationship between the assessed values and purchase prices in these instances by the National Capital Commission was correct and lays a sound foundation in your approach to the Columbia river question?

The CHAIRMAN: These are impossible questions.

Mr. HERRIDGE: I am putting a direct question. Has the department agreed to these purchases? What is the relationship between the assessed value of

those properties for taxation purposes and the amounts paid? All I am asking is, Mr. Pawley, for you to agree that the department was correct in agreeing to them.

Mr. PAWLEY: I am not precisely familiar, except in one case, with the expropriations taken by the National Capital Commission, and for this reason I do not want to make statements which I cannot back up.

Mr. HERRIDGE: Mr. Pawley, you would not disagree with any settlements that have been previously made by the Veterans' Land Act administration and the National Capital Commission? You say they were just?

Mr. PAWLEY: Yes.

Mr. LANIEL: My question would be directly related to the application of the law. Under part III a loan has to be repaid fully, whatever the case may be, but under part I there is provision by which besides the down payment of 10 per cent the veteran has to reimburse two thirds of the grant, but the 23½ per cent I think is to be considered if he fulfils the terms of his contract for 10 years. Is this to be considered as a grant? What would happen in these cases? If he is expropriated under the Columbia river treaty, let us say he has a year to go, would he lose the benefit of the 23½ per cent?

Mr. PAWLEY: No, he would not in these circumstances. However, he would be entitled to a continued establishment under the act.

Mr. LANIEL: He would have to establish himself.

Mr. PAWLEY: Yes, he would be entitled to this. If he has been for at least eight years under an agreement for sale with the director and there are two years remaining before he earns his conditional grant, and he is expropriated, then I am quite sure that we can in these circumstances permit him to earn his conditional grant.

Mr. LANIEL: But he would be forced to re-establish himself on a farm?

Mr. PAWLEY: Not necessarily.

Mr. LANIEL: But in the other cases if he does re-establish himself on a farm, what would be your attitude?

Mr. PAWLEY: If he re-established himself in another property, whether it be a farm or a small holding, he just continues on with his agreement and earns his conditional grant, anyway.

Mr. LANIEL: If he does not, could he get a proportion of it?

Mr. PAWLEY: No, he would have to be there at least eight years and he would not be able to get it until the completion of the ten years.

Mr. LANIEL: I would ask this question of Mr. Herridge as he has a list of the people there. Maybe he can tell us what the case is.

Mr. HERRIDGE: What is your question?

Mr. LANIEL: Under part I of the law there is a provision that the veteran does not have to reimburse the 23½ per cent of his loan if he fulfils the term of his contract for ten years. If he is expropriated towards the end of his term of ten years he may lose the benefit, which is considered a conditional grant, of 23½ per cent. I think this is very important.

Mr. HERRIDGE: I do not know.

Mr. LANIEL: It should be checked.

Mr. PAWLEY: I would like to explain in this connection, that I think you are referring to loss of a conditional grant in expropriation cases or in cases such as the Columbia river development where properties have been taken. If the veteran does not want a continued establishment, and in the over-all negotiations any loss of conditional grant is taken into consideration, we are going to be very careful that the veteran at least gets the equivalent amount of any loss that he might have sustained.

Mr. LANIEL: Yes, but the problem is that if he makes an over-all profit of \$10,000 from the sale in compensation—I am just giving you a figure—you might have a tendency at that time to say that actually he is not losing anything because he has made a profit, and to say, "Why worry about part of the 23½ per cent?"

Mr. PAWLEY: That is a judgment we would have to make and we would have to be prepared to support our decision.

Mr. HERRIDGE: Let me interject here to say that none of these veterans wants to make a profit. All they want is a satisfactory relocation or a satisfactory replacement value.

Mr. CHATTERTON: If that veteran does not get that grant, he gets a compensating adjustment by getting his re-establishment credit. Is that right?

Mr. PAWLEY: Yes.

Mr. OTTO: Mr. Chairman, I am surprised to hear that there are only 50 veterans, considering the rumour that Mr. Herridge owns most of British Columbia anyway, but of the 50, and according to past experience, how many are going to settle without the interference of the department? Could you give us a rough figure? Could you say that a third would settle? From your past evidence I would say that we are going to be talking about no more than 10 or 12 veterans.

Mr. HERRIDGE: We must protect even one veteran from injustice.

Mr. OTTO: Nothing is going to happen for three or four years because the cases on record now are being settled. Will we not have another opportunity to find out how the department is doing after it has had some experience in this, other than registering Mr. Herridge's aversion to all forms of expropriation of any kind or nature whatsoever?

Mr. PAWLEY: I would hazard a guess that over the past three years across Canada we have probably had nearly 1,000 cases of this nature. We have had three cases go to the governor in council requesting authority to expropriate.

Mr. HERRIDGE: But you will do your best to see that these veterans get equal treatment to that given by the National Capital Commission and the seaway authority where they were paid the potential value of the property because of losing the water front, and so on?

Mr. PAWLEY: You may be assured we will do our best.

The CHAIRMAN: Are there any further questions on items 44, 45 and L55?

Items agreed to.

Mr. CHATTERTON: The question I want to raise has to do with general administration with regard to British Columbia. I realize that Mr. McCracken was your administrative assistant. What I will say is no reflection on Mr. McCracken who, I think, is a very competent person, but is it fair to British Columbia not to have a permanent district superintendent and is it fair to the staff there?

Mr. PAWLEY: I can appreciate that to postpone a promotion for some person who feels he is worthy of the promotion is a disappointment. Against that I think one has to weigh the advantages of making sure that the people at the head office are fully aware of the circumstances that exist at the district and field levels. It seemed to me consequently that the advantages accruing to the department after a two year period or up to a two year period would be quite considerable because Mr. McCracken had not previously had this field experience. Within the last two weeks I have met all those people in British Columbia who I think were interested in this particular position. While they may be somewhat happy about making their feelings known to me I can assure

you, Mr. Chatterton, that there is 100 per cent co-operation. Mr. McCracken is getting a great deal out of this experience, and I think the senior staff in British Columbia are also getting a great deal of help and guidance from Mr. McCracken. As you know, he is a pretty precise sort of fellow, and I think there are mutual advantages to the arrangement. I can assure you, and I have already assured the staff, that a year from next June Mr. McCracken will be back in head office, if not sooner.

Mr. CHATTERTON: May I make a comment: the staff did not tell you what they told me, and not only the staff that was interested in the position but other staff. I spent several hours in the district office in Vancouver a couple of weeks ago and I would say—and this is no reflection on Mr. McCracken's competence—that it is a pity that British Columbia is being subjected to this experiment, since they are entitled to a permanent superintendent.

Mr. PAWLEY: I am afraid that in this regard, in spite of the fact that I have every good feeling for the staff under me—I am very proud of them—I do not feel that I can be deterred in making a decision in this connection if I think that ultimately it is going to be for the benefit of the entire department. In spite of the fact that I think there is a good staff in British Columbia, I do feel this was the right move to make at that particular time.

The CHAIRMAN: Can we revert to item 1, gentlemen.

1 Departmental administration \$6,491,400.

I will now call on the deputy minister, Mr. Mace. That will complete the estimates.

Mr. GROOS: I have a question on item 1. I wondered whether we could be told a little more about the investigation that is about to be carried out by the Department of Veterans Affairs, or under the auspices of the department, concerning the Hong Kong veterans and their present situation.

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): On the Hong Kong veterans, as I think has been mentioned before, this whole question of the special position that the Hong Kong veteran might or might not find himself in has been and is still the subject of an investigation which is not yet completed. There are a lot of intangibles involved here and I do not think I can say anything about the Hong Kong veteran until that particular study has been completed. This may be a matter of weeks, it may be a matter of months, and it may be somewhat more than that because unless and until we can arrive at some conclusions on which we can base some pretty specific measures, I think it would be imprudent to move.

Mr. GROOS: The thing that I am most interested in finding out, Mr. Chairman, is the basis of this investigation. It seems to me that what we are suffering from now is a difference of opinion between the Department of Veterans Affairs and the Hong Kong veterans themselves on how they have been affected by their imprisonment. The department on the one hand says that the after effects of their imprisonment, such as they are, are being adequately taken care of by the present arrangement, whereas the Hong Kong veterans appear to feel otherwise. It is really a matter of establishing who is right, and I question whether the survey done by the department will satisfy either the Hong Kong veterans themselves or perhaps the House of Commons since what seems to be needed is an investigation by an independent body. I am not competent to say who is right. I doubt whether anyone in this room is competent to say who is right, on one side or the other. What we really want to have proven is one case or the other and in order to do this it seems to me that an investigation should be carried out by a body which is really independent. I am very much looking forward to receiving the report of this investigation that is being carried out now, but I doubt very much whether

that will be sufficiently conclusive simply because it is a body that has been set up by one of the affected and interested parties. Did I make my point clear?

Mr. PELLETIER: Mr. Chairman, one of the big problems, and I am sure you appreciate this, when we have to face this matter of the Hong Kong veterans, is the fact that there are only something in excess of 1,000 individuals involved. As you well know, the smaller the number of people involved, the more difficult it is to make a study the results of which will be conclusive.

With regard to your point concerning an investigation to be conducted by an outside body, I am sure no one would have any objection to that except for this—and this is not really an objection, it is an observation. We consider ourselves, and always have, not as working against the veteran but working for the veteran, and we feel that if, in the course of our study, there is to be any bias at all, that bias is much more likely to be in favour of the veteran, in this case of the Hong Kong veteran.

Mr. GROOS: Mr. Chairman, I agree with what Mr. Pelletier has just said, and I think, in my experience with the Department of Veterans Affairs in this committee, it has been shown to me that his statement that the department is working for the veterans was borne out in every instance except this particular one where the Hong Kong veterans themselves are not fully convinced that all parts of the department are working for them. It is this that I would like to clear up. I do not know who is right in this case, and I think it is important that the matter be cleared up. You say there are only 1,200 of them. I realize that this makes it a rather difficult problem of statistical analysis, but there is an advantage in having only 1,200 Hong Kong veterans, and that is that it is fairly easy to get hold of them. You can assess what has happened to almost every member of the Hong Kong veterans group because 90 per cent of them are getting some sort of a disability pension, and therefore we know exactly where they are. Therefore, to do a complete survey of the whole group would be a comparatively simple matter, and you would not have to guess what happened to the group. We can show exactly what happened to them.

Mr. PELLETIER: You are quite right in saying that they are easy to locate. We know when they die, what they die from, and from that point of view it is quite easy. But it still does not make it any easier to draw conclusions on their disabilities or indeed to what their deaths may be attributable. With regard to treating the Hong Kong veterans as a special group, we have already done that up to a point, as you well know, because all are presumed to suffer from avitaminosis. This is probably quite right, even though you cannot determine, in a scientific way, whether they do or do not suffer from avitaminosis. Whenever any of them require treatment, they automatically get it, as you also well know.

I do not think, Mr. Chairman, as I said a moment ago, that there can be any objection to an outside survey being made of this matter; but it seems to me that it would be wiser to wait and see what the study, which is now going on, will produce. If at that time it is felt that some other study should be made, another study can be made.

Mr. GROOS: I was in England this summer and I took advantage of the fact that I was over there to visit the tropical diseases ward of the Queen Mary hospital in Roehampton. I was talking with some of the staff there and comparing the problems that they have with their Far East veterans and our own. One of the points of difference that I noticed there—I would like to hear your comment on this—was that they insist on having a post mortem done on every Far East ex-prisoner of war, regardless of where he is, whether he dies under the care of their department, and so on. They are informed

when he dies by the central office, and this post mortem is carried out to see whether he was affected by some of the diseases which relate back to the time when he was in the Far East.

Mr. LANIEL: Even when he dies of an accident?

Mr. GROOS: In every case. My understanding is that over here no post mortem is carried out unless the veteran's next of kin ask for it. Is that correct?

Mr. PELLETIER: I cannot answer that. By post mortem you mean autopsy?

Mr. GROOS: Yes.

Mr. PELLETIER: I do not have the answer to that question.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): This is a question of law. Dr. Harley can answer it for you.

Mr. HARLEY: This is true; you cannot legally do it in Canada unless you have the permission of the next of kin.

Mr. GROOS: I wonder whether it would not be an advantage for the next of kin to be advised by either the department or perhaps one of the veterans organizations, that, particularly in the case of the Hong Kong group, it would be an advantage if they were to give this decision automatically so that the autopsy could be carried out? I would like to know whether these autopsies which have been carried out so far, at least in some cases, are brought to some sort of central office for analysis?

Mr. MACE: Whenever an autopsy is carried out the report comes to head office and goes on the veteran's head office file, but it is automatically referred, if the man is a pensioner, to the pension commission in order that they can rule on whether or not his death is attributable to service. This is the routine that is followed.

Mr. GROOS: Is there someone who carries out this analysis? Is there a doctor who is well versed and has practised in diseases peculiar to the tropics?

Mr. MACE: Unfortunately, this comes under the chairman of the pension commission. I am trying to recall whether he has a specialist in tropical diseases. He has quite a party of medical specialists, and quite frankly I cannot say whether he has a specialist in tropical diseases or not. If he has not, we do have one in the department in the treatment services under Dr. Crawford. He would be available to them for consultation if they so wished.

Mr. GROOS: I think that in the case of a man in this group it would be an advantage if the autopsy report were submitted to such a person. In the United Kingdom where they have over 30,000 of these men they do arrange, as I said, for an autopsy to be carried out in every case and for the reports to be submitted to a central office where they are studied by someone who knows what he is looking for, in this case it would be something which might have resulted from the internship under the peculiar conditions of the Orient.

Mr. MACE: I think, sir, it might be desirable if I spoke to Mr. Anderson on this point and have him give you a call, just to make sure that you know what he does now.

Mr. GROOS: I would appreciate that.

Mr. OTTO: I have a question on the same point. I wonder whether the deputy minister could give us a idea of how this investigation is carried out. Are there any headings or any divisions which you can explain to this committee, so that we have an idea of how this investigation or this research is being done?

Mr. PELLETIER: I do not know the details, but in general terms the study attempts to determine by comparison with veterans who are subjected to different conditions, and also by looking into the family medical history of the individual concerned, and for example to try and determine what happened

to a brother of a Hong Kong veteran who was perhaps in the armed forces but served in Europe and was interned in a German prisoner of war camp. On the details, I am afraid I cannot give them. This is a scientific investigation, and I do not know the various subheadings.

Mr. GROOS: I might say at this point that the doctor who was carrying out this survey appeared before the executive of the Hong Kong Veterans' Association in Winnipeg a month or so ago and he gave a very clear description of what it is he was doing. They were very pleased with the way the investigation was going forward even though he was questioned at that time whether this would be sufficient. Certainly it is a very good step. I believe his name was Dr. Richardson.

Mr. HERRIDGE: Mr. Pelletier, would it be considered advisable for the department to look into the suggestion made by Mr. Groos on the practices being followed in Great Britain?

Mr. PELLETIER: You mean the practices with regard to autopsies? We most certainly shall look into this.

Mr. HARLEY: I wanted to make a comment on autopsies. I know several cases have come to my attention where a pension was not given because the cause of death was not supposedly related to a pensionable disability. In this case an autopsy might have proven that this decision was right, and it might also have proven that the department was wrong. So often, it seemed to me in these cases where the pensioner is not going to get a pension, the family are not going to lose anything by having an autopsy, and it may be proven in the autopsy that his death was owing to a disability incurred during service. I wondered whether there is some way of making this point more apparent to the veteran and his family, that an autopsy or a post mortem is actually something that may well benefit him rather than be a disadvantage to him.

Mr. PELLETIER: As Mr. Groos pointed out, we know where all these veterans are, and I think it would be a relatively simple matter to get in touch with the veterans themselves, and indeed their families, and try to impress this fact upon them.

Mr. HARLEY: I am not only referring to the Hong Kong veterans but to any veteran.

Mr. MACE: May I mention one thing, Dr. Harley? You must keep in mind that some veterans die while they are in department hospitals. When this happens, of course, we are very close to the next of kin. Our welfare or administration people are in close touch with them, and I am sure this point is made to them. On the other hand, people do frequently die outside our hospitals and we do not know about it until too late; we might not know until they are dead and buried.

Mr. HARLEY: Even in the department hospitals the autopsy rate is not anything approaching 100 per cent; it is less than 50 per cent.

Mr. CHATTERTON: I would like to give an example without mentioning any names. A pensioner was sent to a veterans' hospital by one of the veterans' hospital doctors. He died on the way. He was taken to another hospital, and there was no autopsy. It is that type of case in which there should be an autopsy, and the department is certainly aware of the death. Very often there is no autopsy even though the patient dies in the veterans' hospital. In this particular case, if the veteran had had an autopsy it may have been proved or disproved that the death was related to the service; but as it is, the widow is not satisfied.

Mr. MACE: I will bring it to the attention of the appropriate officials to try to ensure that the value of autopsy is recognized and I will ask them to have this brought to the attention of the next of kin wherever this is practical.

Mr. ROCK: May I ask a supplementary on that?

The CHAIRMAN: Mr. Rock.

Mr. ROCK: Even if it is proven by autopsy that the veteran died from past service, what then? Suppose he did not receive a pension because he could not prove his case during his lifetime, and suppose then it is proven by autopsy that he died as a result of service, would the family be reimbursed? Where are we going on this?

Mr. PELLETIER: Mr. Chairman, I think this is probably a rather hypothetical example. I think this would not be the situation in 99 per cent of the cases. However, assuming this were true in one out of 100 cases, it would be a matter for the Pension Commission. If the chairman of the commission were here he could answer this immediately, but I suspect it would be too late to undo what had been done or to do what had not been done. I assume in this case—and it is an assumption on my part—that the widow would have whatever entitlement a pensioned widow would have. This is an assumption and subject to confirmation by the pension commission.

Mr. GROOS: Mr. Chairman, may I bring up another question under this item? In the special committee on defence which met last year various people were asked to present briefs. It was decided that the costs of the persons concerned should be met by the committee—costs such as transportation and per diem. This was the case when the invitation to present a brief came from the committee. This committee throws open the doors for briefs to be presented every year or every two years, and such people as the Royal Canadian Legion and other organizations come down.

I have a special interest at this time in the Hong Kong veterans' group, a very small group which has no source of funds. I think they have a message to which we should listen, and I know it is quite a burden on this small organization to send representatives down here, particularly as they come from eastern Canada and from the west coast as well as from Quebec. I wonder how this committee could arrange to pay certain expenses for minor groups of veterans from whom we think we should hear.

Mr. MACE: Sir, I think you hit the nail on the head when you said that the defence committee requested certain people to come and present their thoughts. We do not do this, as you know. If any organization wishes to present a brief and applies to the chairman, then it is able to do so. It appears to me, Mr. Groos, that this is a matter for the committee, not for the department. I am not too sure how this would be dealt with on a point of law and where the funds would come from, but I think it would be in the terms of reference of the committee.

Mr. GROOS: Yes, I was speaking to the Chairman on this.

Mr. MACE: I might say, sir, that we in the department have authority under the Veterans Affairs Act to bring anyone in for consultation, and if in the course of our normal operations we want to bring in a group we can pay their expenses. The question of the presentation of briefs by associations has always been a prerogative of this committee, historically.

Mr. GROOS: Then these expenses would not be listed under any of the votes we are discussing today?

The CHAIRMAN: I am sorry, Mr. Groos, I did not realize you were speaking to me. I did not hear the question.

Mr. PILON: Perhaps the answer is that they are paid by the Chairman!

Mr. HERRIDGE: The Hong Kong Veterans Association has been very interested in getting a complete report of the Hong Kong veterans's fund

showing what disbursements have been made to compensate persons who suffered. When will it be possible for a complete report to be made available to them?

Mr. PELLETIER: A report on the fund?

Mr. BLACK: That information is obtainable from the Department of Finance. You could direct your request to that department or we could ask them to send it to you.

Mr. HERRIDGE: Would the Veterans' Affairs department ask the Department of Finance to provide that information to the members of the house?

Mr. PELLETIER: Do you want it to be provided, Mr. Herridge? If so, I am sure we can obtain it and send it to your Chairman.

Mr. BLACK: That can be done or it could be presented as a question on the order paper.

The CHAIRMAN: Mr. Herridge could have answered the question which was put to me by Mr. Groos because he is the chaperone of four or five beautiful women who come along here every year and whose expenses he finally succeeded in getting the government to pay.

Mr. HERRIDGE: Incidentals, Mr. Chairman!

I have one more question to put to the deputy minister. Would the deputy minister agree that it is correct to say that the Department of Veterans Affairs, as a result of its experience in the administration of disability pensions, war veterans' allowance, hospital services and welfare services for veterans, has established a pattern which has been of great assistance in the promotion of other similar schemes of hospitalization and welfare to the advantage of the general public?

Mr. PELLETIER: I am afraid, Mr. Herridge, that this is a question the answer to which would lead me away out of my field and, as a consequence, I would not like to reply to it in the terms in which it was put. I will say, however, that everybody in the department is satisfied that the measures which have been adopted over the years have been of great benefit to veterans. I am afraid I am not in a position to draw any parallel between welfare measures designed for veterans and those other welfare measures which may have been designed for the general public by the federal government, or by provincial and municipal governments.

Mr. HERRIDGE: I think everyone recognizes the fact that these experiences have been valuable to governments of all kinds in developing other programs.

Would the deputy minister say that if the same approach were made by other administrations to veterans on the Columbia river as were made to veterans generally by the department—if those were carried to their logical conclusion—this would be a matter of great assistance to the general public?

Mr. PELLETIER: I will answer that question indirectly by paraphrasing what the director of Veterans' Land Act, Mr. Pawley, has already said. We will do everything we can to make sure that the veterans whose properties are being expropriated in the Columbia river basin will get completely fair treatment. If that is done, of course, it is an ipso facto conclusion that any pattern that may thus be set will indeed be a good one.

Mr. HERRIDGE: I am glad to hear you say that, sir.

Item 1 agreed to.

The CHAIRMAN: Gentlemen, may I submit for your approval the proposed report to the house?

The standing committee on veterans affairs has the honour to present the following as its second report:

Pursuant to its order of reference of Tuesday, September 22, 1964, your committee has examined the main estimates and the supplementary

STANDING COMMITTEE

estimates (A) for 1964-65 relating to the Department of Veterans Affairs, and has agreed to recommend them for adoption by the house.

A copy of the relevant minutes of proceedings and evidence (Nos. 1 and 2) is appended.

Respectfully submitted

Does that meet with your approval, gentlemen?

Agreed.

Mr. HERRIDGE: I would like to move that this committee express its appreciation of the clear, concise and informative way in which the deputy minister and other officials have answered questions during this hearing.

The CHAIRMAN: And I would like to say how pleased I am at the way in which the proceedings have been carried on and that the representation we have had at this committee this year has been very good indeed.

The committee is adjourned to the call of the Chair.

CURRENT ISSUE
KEPT IN STACKS

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament
1966

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: MR. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

TUESDAY, FEBRUARY 22, 1966

TUESDAY, APRIL 5, 1966

Respecting the
REPORT ON HONG KONG VETERANS (1964-65)

WITNESS:

From the Canadian Pension Commission: Dr. H. J. Richardson,
Assistant to the Chief Medical Advisor.

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STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman:

Vice-Chairman:

and Messrs.

Carter,
Clancy,
Cowan,
Emard,
Fane,
Groos,
Habel,
Harley,

Herridge,
Horner (*The Battlefords*),
Kennedy,
Laniel,
Latulippe,
Legault,
Madill,
MacRae,

Martin (*Timmins*),
Matheson,
Morison,
Ormiston,
Pilon,
Thomas (*Maisonneuve-
Rosemont*),
Tolmie,
Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

Mr. Rock replaced Mr. Pilon on February 16, 1966.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
MONDAY, February 7, 1966.

Resolved.—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Carter,
Clancy,
Cowan,
Énard,
Fane,
Groos,
Habel,
Harley,

Herridge,
Horner (*The Battlefords*),
Kennedy,
Laniel,
Latulippe,
Legault,
Madill,
MacRae,

Martin (*Timmins*),
Matheson,
Morison,
Ormiston,
Pilon,
Thomas (*Maisonneuve-
Rosemont*),
Tolmie,
Webb—(24).

WEDNESDAY, February 16, 1966.

Ordered.—That the name of Mr. Rock be substituted for that of Mr. Pilon on the Standing Committee on Veterans Affairs.

WEDNESDAY, March 30, 1966.

Ordered.—That the subject-matter of the Report of a Study of Disabilities and Problems of Hong Kong Veterans, 1964-65, laid before this House on February 11, 1966, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, February 22, 1966.

(1)

The Standing Committee on Veterans Affairs met this day at 11.00 a.m. for the purpose of organization.

Members present: Messrs. Carter, Cowan, Émard, Groos, Habel, Harley, Herridge, Horner (*The Battlefords*), Laniel, Legault, Madill, MacRae, Morison, Ormiston, Rock, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (18).

Also present: Mr. Arnold Peters, M.P.

The Clerk attending and having called for nominations to elect a Chairman,

Mr. Groos moved, seconded by Mr. Thomas (*Maisonneuve-Rosemont*), that Mr. Gérald Laniel be elected Chairman of this Committee.

On motion of Mr. Rock, seconded by Mr. Carter, nominations were closed.

The Clerk put Mr. Groos' motion and it was *resolved* in the affirmative. Mr. Laniel took the Chair and thanked the Committee for the honour conferred upon him.

The Chairman called for nominations for the election of a Vice-Chairman. It was moved by Mr. Rock, seconded by Mr. Carter, that Mr. Harley be elected Vice-Chairman.

Mr. Ormiston moved, seconded by Mr. Madill, that Mr. MacRae be elected Vice-Chairman.

The Chairman proceeded to put the first motion before the Committee. Thereupon, Mr. Herridge objected and said that for nominations we have secret ballots.

The Chairman quoted Beauchesne's 4th Edition, citation 303 (1), page 244 and followed with citation 27 (1), page 21. He ruled accordingly.

Mr. Herridge moved, seconded by Mr. Ormiston, that the Chairman's ruling be challenged. The motion was resolved in the negative as follows: YEAS-6, NAYS-11.

On motion of Mr. Tolmie, seconded by Mr. Groos, it was *agreed* that nominations be closed.

After further discussion, the Chairman put the first motion:

Moved by Mr. Rock, seconded by Mr. Carter, that Mr. Harley be elected Vice-Chairman of this Committee.

The question was *resolved* in the affirmative on a show of hands as follows: YEAS-9, NAYS-0.

Mr. Webb moved, seconded by Mr. Herridge, that the Committee adjourn with a view to seeking advice on procedure.

The question having been put, the motion was negatived: YEAS-7, NAYS-9.

After further debate, Mr. Harley thanked the Committee for the honour conferred upon him and the Committee proceeded to other business.

On motion of Mr. Groos, seconded by Mr. Madill,

Resolved,—That the Committee print 1000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Ormiston, seconded by Mr. Thomas (*Maisonneuve-Rosemont*),

Resolved—That a Subcommittee on Agenda and Procedure be appointed to comprise the Chairman, Vice-Chairman and three (3) other members of the Committee to be named by the Chairman after consultation with party Whips.

At 11.35 a.m., on motion of Mr. Habel, seconded by Mr. Tolmie, the Committee adjourned to the call of the Chair.

TUESDAY, April 5, 1966
(2)

The Standing Committee on Veterans Affairs met this day at 11:00 o'clock a.m. The Chairman, Mr. Gérald Laniel, presided.

Members present: Messrs. Carter, Clancy, Cowan, Emard, Fane, Groos, Habel, Herridge, Kennedy, Laniel, Legault, Madill, MacRae, Martin (*Timmins*), Matheson, Rock, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (19).

In attendance: From the Canadian Pension Commission: Dr. H. J. Richardson, Assistant to Chief Medical Adviser, Mr. J. L. Anderson, Chairman, Mr. A. L. Fortey, Secretary.

The Clerk of the Committee read the Order of Reference.

The Chairman informed the Committee that the following members have been selected to form the Steering Subcommittee: Messrs. Laniel, Harley, MacRae, Herridge and Latulippe.

The Chairman presented the *First Report of the Subcommittee on Agenda and Procedure* as follows:

YOUR SUBCOMMITTEE RECOMMENDS

1. That the Standing Committee meet on Tuesday, April 5th, at 11:00 a.m. in Room 208 W.B. to study the subject matter of the Hong Kong Report on Veterans.

2. That Dr. H. J. Richardson be asked to make a presentation to the committee and to answer questions.

3. That a representative of the Pension Commission appear before the Committee, at a subsequent meeting, to explain the views of the Commission on the Report, and be questioned.

4. That Mr. Lionel Hurd, Eastern President of the Hong Kong Veterans' Association be informed by the Chairman of the sittings of the Committee (on the Hong Kong Report) and that he be invited as an observer.

5. That the Committee be informed of Veterans' Associations' events and other Veterans' activities for the coming year.

6. That the Committee be informed about a possible trip abroad, at the end of June, for the members of the Committee.

7. That the next meeting of the Committee, to continue the study of the Hong Kong Veterans Report, be held as early as possible after the Easter recess, at the call of the Chairman who will make appropriate arrangements.

8. That the Chairman insure that copies of the Hong Kong Report be distributed to all the members of the Committee.

On motion of Mr. Emard, seconded by Mr. MacRae,

Resolved,—That the First Report of the Subcommittee on Agenda and Procedure be adopted as read.

The Chairman read a telegram from Mr. Lionel Hurd, President of the Quebec Branch, Hong Kong Veterans' Association. Also, a letter inviting the members of the Committee to attend the 21st Dominion Convention of the Royal Canadian Legion to be held in Montreal, April 17 to 22nd. The following members signified their intention of attending:

Messrs. Laniel, Rock, Emard, Kennedy, Clancy, Groos, Carter, Webb, MacRae, Matheson, Thomas (*Maisonneuve-Rosemont*) and Bigg (12).

The Chairman read a letter from the Council of World War Veterans' Association.

The Committee discussed the proposed trip to Europe in June and July of this year, as outlined by the Honourable Roger Teillet, in his letter to Mr. Laniel, Chairman.

It was moved by Mr. Rock, seconded by Mr. Clancy,

Agreed,—That the Program and Itinerary be left to the Steering Subcommittee and that a report be made to the Committee as soon as possible.

The Chairman introduced Dr. Richardson who read a prepared statement. The Committee proceeded to the questioning of the witness on the Hong Kong Report.

The examination of the witness still continuing,

At 12:45 o'clock p.m., on motion of Mr. Herridge, seconded by Mr. Fane, the Committee adjourned to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded and transcribed by electronic apparatus)

● (11.10 a.m.)

TUESDAY, April 5, 1966.

The CHAIRMAN: Gentlemen, we now have a quorum, so I would ask the Clerk to read to the committee the order of reference which was referred to us by the House.

The CLERK: The Order of Reference from the House, dated Wednesday, March 30, 1966, reads as follows:

That the subject-matter of the report of a Study of Disabilities and Problems of Hong Kong Veterans, 1964-65, laid before this House on February 11, 1966, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

The CHAIRMAN: At our organization meeting it was decided that I would make arrangements to select members to form the subcommittee on agenda and procedure. I want to inform you that Messrs. Harley, MacRae, Herridge Latulippe have been chosen as members of the subcommittee, to act with the Chairman and I want to present to you the first report of the subcommittee.

(See Minutes of Proceedings)

Is there any questioning about this report? If not, can we have a motion for its adoption.

Mr. EMARD: I so move.

Mr. MACRAE: I second the motion.

Motion agreed to.

The CHAIRMAN: Gentlemen, before I cover the special points that we have on the agenda on the Hong Kong report, I want to read to you a telegram which I received this morning in reply to a letter which I wrote to Mr. Lionel Hurd. It is addressed to Gerald Laniel, Chairman, Standing Committee on Veterans Affairs:

Thank you for your letter of April 11. Unable to attend meeting of subcommittee. However, association will send representatives to your next meeting after Easter. Hope you have a successful meeting.

It is signed: Lionel Hurd, President, Quebec Branch, Hong Kong Vets.

We also have with us this morning Dr. H. J. Richardson, as mentioned in our subcommittee report, who has with him the Chairman of the Canadian Pension Commission, Mr. T. D. Anderson. Dr. Richardson is on my immediate right and Mr. Anderson is next to him; and also Mr. A. L. Fortey, the Secretary of the Canadian Pension Commission.

We will come to these people a little later.

I wish to bring to the attention of the committee a letter which I have received from the Minister, informing me of the different events that are coming up during the year so far as veterans' association activities and conventions are concerned. If the committee is agreeable I will read the letter:

Ottawa, FEBRUARY 18, 1966.

Mr. Gérald Laniel, M.P.,
Chairman,
Standing Committee on Veterans Affairs,
Ottawa, Ontario.

Dear Mr. Laniel:

I thought you and the members of the Standing Committee on Veterans Affairs might like to know something about the several events of particular interest to veterans which are being planned for this year in Canada and abroad.

For this reason, I am listing below a brief outline of each of these and will of course be more than pleased to provide more complete information about any or all if you think this would be helpful.

Dominion Convention, Royal Canadian Legion—This is the regular biennial convention, to be held in the Queen Elizabeth Hotel, Montreal, April 17-22. It will be officially opened on Sunday evening, April 17, by Lord Louis Mountbatten, Grand President of the British Commonwealth Ex-services League, who will also address the Convention itself the following morning.

Council Meeting, World Veterans Federation—This meeting, the first to be held in North America, is slated for the Royal York Hotel, Toronto May 1-6. It will be officially opened by the Prime Minister on Sunday evening, May 1, and the delegates will be entertained by the Government on Wednesday evening, May 4, at a reception and dinner at Ottawa.

Fiftieth Anniversary Ceremonies, Battles of the Somme—The British Commonwealth countries and France are arranging several events to mark the 50th anniversary of the Battles of the Somme, starting with ceremonies in Newfoundland Park, site of the Beaumont-Hamel Newfoundland Memorial, on June 30. The main Commonwealth ceremony will be at the Thiepval Memorial on July 1, and there will be French events at Albert on July 2 and at Peronne on the 3rd. Canada will be well represented at all of these ceremonies.

Triennial Conference, British Commonwealth Ex-services League—This Conference will open in London, England, on July 11 and will be attended by a large delegation from the Royal Canadian Legion and, for some of the sessions, by official representatives of the Department of Veterans Affairs. The previous Conference was held in Canada in 1963.

Official Visit, War Cemeteries in Italy—Subject to time being available and other considerations, an official visit to the war cemeteries in Italy, of special interest to Canadians, is being planned for this summer. In recent years there have been several official inspections of the war cemeteries in North-west Europe, and a gratifying number of Remembrance ceremonies have been held there, but similar recognition for the war dead in the Italian area has not been possible. I hope that something of that nature can be done this year.

Dominion Convention, Army, Navy & Air Force Veterans in Canada—This is the usual biennial convention and it will be held in the Hotel London, London, Ontario, August 22-26. The official opening will take place on the morning of August 22 and Wednesday August 24, will be devoted to visits to places of local interest. The A.N. & A.F. Ladies Auxiliary holds its national convention at the same time.

Pilgrimage, Hong Kong Veterans—The Hong Kong Veterans Association is organizing a pilgrimage to Hong Kong and Japan late this year, leaving Vancouver November 28 and returning December 14. The Association has asked the Government to arrange appropriate Remembrance ceremonies in Hong Kong and in Japan, and serious consideration is being given to this request. If this can be done, similar tributes will also be arranged for those Canadians who gave their lives to restore peace in Korea.

Reconstruction, Ste. Anne's Hospital—Plans for the rebuilding of Ste. Anne's Hospital, Ste. Anne de Bellevue, Quebec, are proceeding on schedule, and I hope it will be possible to mark the start of construction on this project with a suitable "sod-turning" ceremony some time in the autumn.

I hope you will find this forecast of events of interest, and that it will be useful to you.

Yours sincerely,

Roger Teillet

I would ask the committee if we could now discuss the immediate events that are coming up, starting with the Dominion convention of the Royal Canadian Legion, which will be held in Montreal on April 17, which is actually before our return from recess.

I have been discussing the matter with Mr. Gordon Way, Chief of Information Services, Department of Veterans Affairs, and also with Mr. Don Thompson of the Royal Canadian Legion.

You all have received invitations to this convention.

The official opening will be at 8.15 p.m. on Sunday, April 17. You are all invited as special guests, as we were in Winnipeg two years ago.

It might be useful for me and for the Legion to have an idea of how many members are coming.

The official opening will be followed by an official reception to which all of the members of the committee will be invited. The next morning there is going to be a report by the Dominion president, followed, at 11 o'clock, by a speech from Lord Mountbatten. At 2.00 p.m. the Minister of Veterans Affairs will address the convention. At 5 o'clock there is going to be a reception by the Minister and at 6.30 p.m. a reception by the City of Montreal.

From this discussion with Mr. Way and with officials of the department there came the suggestion that we might take advantage of his convention to try and find a few hours to go and visit either the Queen Mary Veterans Hospital or, Ste. Anne de Bellevue, because of the fact that the government is going to spend maybe \$12 million on construction of the latter hospital.

I had the idea of using part of Monday morning and part of Tuesday morning for this purpose, but Mr. Thompson said that, in Winnipeg, the legionnaires noticed that the members of the committee did not seem to take too much interest in the discussion at the meetings. Therefore I came to the conclusion that it would be better for us to spend the full day of Monday and Tuesday morning at the convention. We could omit the visit to Queen Mary Veterans Hospital but go and have an intense visit at Ste. Anne de Bellevue, on Tuesday afternoon.

Are there any questions or suggestions before I ask how many of you will be attending the convention. If you wish to make arrangements for reservations I have here some applications. All the reservations should be made through the Legion.

Are there any comments?

Mr. CARTER: On this Ste. Anne de Bellevue visit, are we going to have a committee meeting down there, in Montreal?

The CHAIRMAN: The transportation will be arranged from the hotel to Ste. Anne de Bellevue, and from Ste. Anne de Bellevue there will be either transportation to Ottawa or an arrangement for transportation to the station at Ste. Anne de Bellevue to catch a train for Ottawa.

There is the question that was asked by members of the steering committee as to what happened in 1964, about the expenses of the members. From what I recall I think the department supplied the transportation, but I think that was all. The members paid for their hotel rooms and all the other expenses.

Mr. ROCK: We paid our own hotel expenses.

The CHAIRMAN: Do you not think it would be useful to go to Ste. Anne's and see the hospital as it now stands and be briefed on its needs and perhaps its construction program.

Is it agreeable for me to make arrangements with Mr. Way?

Some hon. MEMBERS: Yes.

The CHAIRMAN: Mr. Thompson tells me that there is going to be a very, very interesting discussion about increased pension rates, and it might be of interest to the members of the committee.

I know that we will get a brief later on, but even at that it might be interesting to hear the convention people on this subject.

Mr. MATHESON: I do not think there is anything more important than the Ste. Anne's hospital.

The CHAIRMAN: We could perhaps arrange to have lunch at Ste. Anne's so that anyone who would want to spend an hour or two, Tuesday morning at the convention.

Mr. ROCK: I do not know the train schedule.

The CLERK: I think they are about every 40 minutes, Mr. Rock.

Mr. ROCK: But we are thinking of the train coming back to Ottawa.

The CHAIRMAN: Anyhow, is the committee agreeable that it be left to me to make arrangements for the Ste. Anne's visit in such a way that we can catch the train and at the same time have enough time at Ste. Anne's?

Mr. ROCK: There must be an afternoon train from Ste. Anne de Bellevue to Ottawa. Why does the department not arrange to have rooms at the Queen Elizabeth for members who intend to go. I cannot understand why some committees can go other places and things are arranged in advance. In the case of the Veterans Affairs committee it seems that we are like a poor part of the government, or something, compared to Defence and the other committees. We are in the same position that the veteran always feels he is in, in demanding things. I do not see why, in the case of an important event like this, the government does not arrange to have a room available for every person who intends to go.

The CHAIRMAN: Are there any other opinions on this?

Mr. MACRAE: It might be a little difficult for us to get space in the hotel at this time.

Mr. ROCK: I do not think so. First of all, there are a certain number of rooms usually available for the convention itself, but there are other rooms besides those, which the department could directly arrange for.

The CHAIRMAN: If you would permit, our accommodation expenses cannot be defrayed by the Department because we are invited as individual members of the committee.

Actually, our committee will not sit. When the Defence committee goes somewhere, reservations are arranged and expenses are paid, but they have sittings. We will just be there as observers.

Mr. ROCK: You can call it an observation, but I think it is a most important observation.

We represent the veterans of Canada, and we are going there as observers. We are there as the Parliamentary Committee on Veterans Affairs. I think it is our duty to be at these conventions.

The CHAIRMAN: Let us find out how many members are interested in going.

Maybe I could bring this to the attention of the Minister; I do not think we have much time.

Mr. ROCK: I am not thinking of myself. I live in Lachine. I am thinking of the ones who do not live on the island of Montreal.

Mr. GROOS: These matters will be brought before the Veterans Affairs committee when they come to make their representations to us, so it is not so essential that we all be there for all meetings. I do think, however, it would be a good thing if we were able to put in an appearance, to show our interest and to establish contact for when they do come up here. I think if we were to go down there for the one day, without spending too much time, it would be sufficient.

The CHAIRMAN: How many are planning to attend the convention, or part of the convention?

The CLERK: Mr. Rock, Mr. Émard, Mr. Kennedy, Mr. Clancy, Mr. Groos, Mr. Carter, Mr. Webb, Mr. MacRae, Mr. Matheson, Mr. Bigg and, naturally, the Chairman, Mr. Laniel.

The CHAIRMAN: You have Mr. Kennedy there?

The CLERK: Yes.

The CHAIRMAN: Is that 11?

The CLERK: Eleven, yes.

● (11:30 a.m.)

Mr. KENNEDY: Mr. Chairman, perhaps some of those who are going have already made reservations for space.

The CHAIRMAN: That is a point. I have here some forms which you may take to fill in. Owing to the short time we have available it might even be better to call down town at the Dominion Command in Ottawa. I have the phone number here.

Mr. KENNEDY: What I said was we already have confirmed reservations—at least, I have.

Mr. MACRAE: And so have I.

Mr. CLANCY: I have not, Mr. Chairman.

The CHAIRMAN: If there is anyone who is concerned about reservations please speak to me after the meeting so arrangements may be made.

Let us now pass to the subject of the council meeting of the World Veterans' Federation to be held in Toronto on May 1 to May 6. We are to receive an invitation to the opening ceremony on the Sunday evening. I think we will have time to talk about that at our first meeting after the recess to find out who is interested in going and to discuss details of transportation. This being a council meeting, we will not be invited to attend the deliberations; but it would be a good thing to have representation of the committee at the opening ceremony, and those members could then fly back to Ottawa. On May 4 there will be an official reception here given by the government for members of the

council of the World Veterans' Federation, and I think we should make an effort to attend. I will make arrangements to have members invited to that dinner.

Are there any questions?

The next item on the agenda is discussion on a possible trip to Europe.

Since I have been appointed chairman of this committee I have met the Minister on a couple of occasions. He has expressed the view that this committee should take specific interest this year in the war cemeteries and memorials. As you will have noticed from the letter, the Minister thought it might be a good thing to arrange a tour of our Italian memorials because, as he has said in his letter, there have been all kinds of ceremonies and veterans' activities in connection with the northwest Europe field of action, but no group from the Department or from the standing committee has ever been round the fields of action in Italy. In that letter there is also information about the Ex-service League convention that will be held in London on July 11.

I pressed the Minister about the possibility of arranging for a trip to Europe for the members of the committee. The Minister is of the opinion that he can supply the committee with funds to organize such a trip. This is not definite, but it is nearly certain that arrangements can be made, if the committee is agreeable to such a trip and is interested in touring Italy and northwest Europe, and attend some of the ceremonies which will take place this year in connection with the Battle of the Somme. One of our members was involved in that battle—Mr. Herridge. We need to prepare a schedule that will not only be of interest to the committee but one that will be fruitful and, at the same time, be briefed on the war memorials and on the veterans' activities in some of the countries.

Mr. MACRAE: What were the suggested dates, Mr. Chairman?

The CHAIRMAN: I have been in contact with Mr. Gordon Way in connection with this matter and I had dinner with him. At the suggestion of the Minister he has prepared a tentative schedule for such a trip; it is a really a tight schedule. I do not know how we can work it out because with such a schedule one misses either one thing or another.

If the committee would wish me to read the schedule he has prepared I can do so, but I think it would save time if we were to authorize the steering committee to keep in touch with Mr. Way and with the Minister in order that a reasonable schedule of activities be planned. And report back to the committee after Easter.

The schedule would be something like this—We would leave Canada on June 27 or June 26 and land either in Paris or Marville, staying in Paris for a day or two. We would then travel by train to Arras and attend the Newfoundland Park events in the evening of June 30 at Beaumont-Hamel. The next day we will attend the Commonwealth Memorial ceremonies, and on the 2nd we would be at Albert attending the French ceremony—all this centering around the 50th anniversary of the Battle of the Somme. On the 3rd of July we could go to the Vimy memorial for visits and briefing. It will be most important for us to be briefed there by a senior officer of the Commonwealth War Graves Commission about the Canadian War Graves, financing and activities. We could visit the

park, and this could be an occasion for us to be told of the possibilities that exist there for Canada to make something outstanding of this memorial. I think, and the Minister shares his views, that our memorials have been neglected. Following this, Mr. Way is planning some kind of tour that would take us up through Belgium, Germany and Holland. From Holland we would fly down to Rome or Naples.

● (11.40 a.m.)

Then we go to Cassino Cemetery. Mention was made of Ortona, but that came up afterward. We will take note of it and perhaps make further arrangements. This tour in Italy would end in Pisa, and then we would fly back to London by the eleventh in order to attend the British Commonwealth Ex-Service League.

Mr. MATHESON: Mr. Chairman, I do not think that Monte Cassino is as important to Canadians as Ortona is. As you know, there is a military cemetery at Ortona which was used by the 1st and 5th Divisions of the British 8th Army during their fighting in Sicily and Italy.

The CHAIRMAN: Let us just say that we are open for discussion and suggestions. We will try to arrange the schedule as quickly as we can. Would it be agreeable if the steering committee followed this up?

Mr. ROCK: Mr. Chairman, I think the steering committee should follow up on this tentative program which has been put forward, and I would so move.

Mr. CLANCY: I second the motion.

The CHAIRMAN: It has been moved by Mr. Rock and seconded by Mr. Clancy that the programming and scheduling arrangements be considered by the steering committee, with the hope that they can come up with an acceptable program.

Mr. GROOS: Mr. Chairman, I have a suggestion to make. If we as a committee are going to be over there for some length of time how would members of the committee feel with regard to having some sub-committees perhaps of this committee look into some of the problems with which we are faced in this country and then see how other countries over there are dealing with similar problems. I think we might benefit from such a thing. I am thinking of three things: The problem of domiciliary care of older veterans; the problem of prisoners of war and, the problem of war amputees. If we are going to be over there I think it would be wise to spend some time finding out how the authorities in, say, the United Kingdom and Holland, and perhaps in France, deal with these matters. It would not be necessary for the whole committee to look into all three of these matters but perhaps we could find some way while we are over there of taking advantage of the situation in order to find out how these countries which have similar problems are dealing with them.

Mr. MATHESON: There is another factor involved here. I think we would be negligent, Mr. Chairman, if we, as a committee, did not still have in mind the hope that there would be a national war memorial. I do not mean a terribly expensive one but something with great aesthetic quality.

The CHAIRMAN: Do you mean in Canada?

Mr. MATHESON: Yes. I do not think that this committee should allow this very important matter, which has been the concern of successive Ministers of Veterans Affairs, to simply lapse.

Mr. ROCK: I agree, and I think it should be erected in Centennial Year right in the Gatineau Park.

Mr. MACRAE: But, Mr. Rock, you are away from the subject with which we are dealing.

The CHAIRMAN: Yes.

Mr. MATHESON: But, Mr. Chairman, this is precisely the point I am making. As we are looking at these things it would appear to me that we should bear in mind something that might be appropriate and fitting for a Canadian memorial.

Mr. ROCK: I agree.

The CHAIRMAN: To reply to Mr. Groos' question, although we will take this into consideration we have to take advice from the department. I am told that it is not very difficult to make comparisons with France or Germany because they do not have the same standards as we do. Also, I am told that it would not be to the advantage of our veterans to make too many comparisons because, the benefits they receive are much less than in Canada and the United States.

Mr. GROOS: I understand that but I think, with respect, that with a little planning ahead of time of what we wish to look into we would be able to find out how they are handling their situations. I think it is not inconceivable that we have something to learn.

The CHAIRMAN: I am sorry if I am talking too much this morning but it may be advisable if the committee at a later date, perhaps in the fall, went to Washington and was briefed on many of these problems.

Mr. GROOS: Mr. Chairman, I do not wish to take up any more time today but I was thinking that while we were over there we could take a look at the situation. We all know that the Far East prisoners of war had to be taken care of, and they do have some experience with the type of thing that our Hong Kong prisoners suffered, and this may be of some assistance to us.

The CHAIRMAN: Because of lack of time this morning and the fact that Dr. Richardson is with us, is the committee going to accept or reject the motion made by Mr. Rock and seconded by Mr. Clancy, that the planning and scheduling be left to the steering committee to work out in co-operation with the department.

Moton agreed to.

The CHAIRMAN: The steering committee will meet this afternoon at 5 o'clock, and officials of the department will be able to work on this while we are in recess.

Some hon. MEMBERS: Agreed.

The CHAIRMAN: As I said earlier, Dr. H. J. Richardson, who is a medical adviser to the Pension Commission, is with us this morning. He was the one most responsible for the report on a study of disabilities and problems affecting the Hong Kong veterans in 1964-65. I wish to thank you, Dr. Richardson, for

accepting our invitation to be here. I want to congratulate you for the work that your group has carried out on this report.

Dr. Richardson has a prepared brief which we will distribute immediately. This brief might form the basis on which members could pose questions. He told me that he will be happy to answer any of your questions.

Mr. Anderson, the chairman of the Canadian Pension Commission, is also available to answer any questions which Dr. Richardson feels should be referred to him.

If we are unable to complete this aspect of our work this morning we could do so after Easter. I would ask the Clerk to distribute the brief at this time.

Gentlemen, I think we should sit until at least 12.30 today and, if by any chance the questioning on the brief does not take us to 12.30 I would suggest that we might refer to the recommendations sections and peruse these. I am just making this suggestion, and when we reach that point we will see how much time we have left and then we can decide what to do.

Dr. H. J. RICHARDSON (*Canadian Pension Commission*): Mr. Chairman and gentlemen. Two years ago your committee authorized a study of the problems of Hong Kong veterans, and this was completed several months ago. I appreciate having the opportunity of reviewing the study with you.

First, I would like to place on record my personal appreciation of the contribution made by officers of the Hong Kong Veterans Association. Many of them have made prodigious efforts in helping their friends to obtain employment and to keep it, in dealing with personal problems, and in arranging for departmental services and pension examination. They have also played an important part in trying to establish an accurate and comprehensive picture of the problems of their fellows.

Now for a summary of our study. Of the 1974 Canadians who went to Hong Kong in 1941, about 1417 came back. The other 557 died in action or of wounds, injuries or disease during captivity. They lived in conditions unknown in our country. To recall at this date the malnutrition, the disease, the living and working conditions is unpleasant but necessary. Unless we look back repeatedly at the variety of stresses to which these men were subjected, we are unlikely to recognize the full extent of the sequelae of their tragic experience.

The progress of the survivors following return to Canada aroused much interest. Many went back to work almost at once, and appeared to have made an excellent recovery. What was not obvious was that in many cases extraordinary effort was required to obtain and to hold suitable employment and to meet all the other demands of life in our society.

Their medical records do not tell the whole story for more reasons than one. The first is that some of the veterans tend to suppress their symptoms, and at pension examination deny the presence of symptoms for which they are concurrently receiving treatment from their own physician.

The second is the multiplicity of symptoms. In ordinary medical practice when a patient presents himself to a physician with symptoms related to his

eyes, teeth, heart, stomach, bowel, back, feet, etc., there is a very strong tendency to classify him as a hypochondriac before he has gone halfway through the list of symptoms. If he has so many symptoms that he brings a written list as an aid to memory, he is almost certain to be classed as a neurotic. Even if he escapes this label, the more symptoms he has, the more difficult it is to focus close attention on any one of them, let alone on all of them.

Added to these human problems is the fact that among Hong Kong veterans the symptoms are often more severe and disabling than could be predicted from the physical signs of disease. Only the clinician who has kept in close touch with the situation over the years will know that the validity of almost every group of symptoms has been established by clinical or pathological examination or by other competent methods.

The sources of information include Dr. J. N. Crawford's account of his own observations in captivity and his review of the progress of several hundred survivors up to 1950. There are a number of excellent reports from Winnipeg by the late Dr. J. D. Adamson and his colleagues. Dr. Eustace Morin in Quebec has made a valuable contribution to our understanding of these veterans. Other useful studies have been conducted in Montreal, Toronto and Quebec. There are many European and American reports on the survivors of prisoner-of-war camps and concentration camps. Unfortunately many of the European studies did not include any serious attempt to compare the subjects with other persons of similar origin who had not suffered the same experiences.

When your committee authorized the study two years ago, we undertook to compare a group of ex-prisoners with their own brothers who had served in World War II but had not been prisoners of war. We drew up a programme of investigation and used it in Quebec, Montreal, Toronto, Winnipeg and Vancouver in examining about 100 pairs of brothers.

The results in the social and economic area were of value in helping to define the limits within which the ex-prisoners differed from other Canadian veterans. In some of the indices, the differences between ex-prisoners and their brothers were of minor degree. More than half of the 100 Hong Kong veterans thought that the treatment, pension and other benefits provided for them as a group had been reasonably fair and just. Yet the inquiry showed that the ex-prisoners had far more personal problems than their brothers. As a group they had not done as well as their brothers on an occupational class scale or in terms of total income. This difference was even more marked in that sub-group of ex-prisoners who expressed dissatisfaction with the pension, treatment and other benefits they had received.

In the medical field, I would like to review the main findings and the recommendations made as a result.

The most easily identified defect was in the dental condition, which was on the average much inferior to that of the non-prisoner brothers. A recommendation to deal with this was made last May, and as a result all Hong Kong veterans holding pension entitlement for the nutritional and other damage suffered in captivity, under the label avitaminosis or a synonym, may now receive departmental treatment in accordance with the treatment regulations.

In the survey group of 100 pairs of brothers, peptic ulcer was more common and more severe in the ex-prisoners and the difference appeared to be significant. A review of the files of all living Hong Kong veterans showed more peptic ulcers than we could have predicted. While we do not have conclusive and accurate data on the prevalence of peptic ulcer among other Canadian men of the same age, from all the information available we felt able to conclude that there is indeed a significant problem here. The recommendations to the commission were that if in any given case there is not sufficient evidence to find that the peptic ulcer is entirely attributable to service, the commission consider whether entitlement could be granted for part of the disability resulting from peptic ulcer, on a presumption of partial relationship to the effects of service conditions as comprehended in the omnibus term, avitaminosis with residual effects. Action along these lines is now in progress.

In the survey group, the ex-prisoners had considerably more symptomatic disability of the neck and lumbar spine than their brothers. The physical basis for these complaints was not demonstrable, but for a variety of reasons we felt we must conclude that there is a real excess, and that we should act accordingly. The recommendation was that the commission take note of these observations and of such other relevant evidence as may become available in the future when adjudicating claims on their individual merits. The Commission has already taken action along these lines. In some cases entitlement has been granted for a disability of the back or neck, whether on application from the veteran or on the initiative of the commission's medical staff reviewing the files. The mention of further study of disability of the neck and back was purposely indefinite. We understand that studies of the progress of ex-prisoners of war are now being planned or carried out in other countries, and we have asked to be informed of the results as soon as possible. There would be no point in duplicating a successful study carried out in another country on a larger scale than would be possible in Canada.

● (12.00 noon)

The survey of 100 pairs of brothers did not show appreciably more hypertension or disease of the coronary arteries or other cardiovascular disability in the ex-prisoners than in their brothers. However the mortality experience of the entire group of Hong Kong survivors showed that while the death rate from all causes was not much higher than among other Canadian men of the same age, there was an abnormally high death rate from disease of the coronary arteries. The explanation is obscure, but the fact is established. The recommendation was that the stresses arising out of captivity in the Far East, under the diagnosis avitaminosis, be considered a possible contributing cause on the merits of the individual case. Men in the younger age group developing clinical heart disease shortly after release from service would in some cases be given pension entitlement for it, either in whole or in part. Men who do not develop any clinical evidence of disease of the coronary arteries until late in life could not be presumed to have an appreciable degree of service relationship.

Awards have already been made to a number of veterans and to surviving dependants of deceased veterans. Further study has been recommended and is certainly desirable, in the field of cardiovascular disease.

The recognition and assessment of neuropsychiatric disabilities is a particularly difficult problem and one in which I have been interested for a number of years. We have always accepted the proposition that to some extent at least nervous conditions should be considered directly related to the stress of captivity in the Far East, and they have been treated and disability pension paid on this basis under the diagnosis avitaminosis. The practice has been extended progressively with increasing evidence in support of the policy. The observations in our study of 100 pairs of brothers have given more confirmatory evidence. We have tried to keep in touch with reports from other countries, and I might interpolate that our general impression of this problem is confirmed by a study published in Australia late last year.

The recommendations concern plans for further clinical study of neuropsychiatric problems by the appropriate specialists. This does not fall within the Commission's usual activities, and as a matter of administrative convenience I recommended that Treatment Services accept immediate responsibility for the supervision of whatever program is devised.

The recommendations with regard to the assessment of disability under the diagnosis avitaminosis with residual effects have not been fully understood. I recommended that a detailed review be made, based on the evidence in the individual case and on information obtained elsewhere. The next paragraph contains a suggestion that there were a great many veterans to whom increases of the order of 10 per cent to 20 per cent would be payable, and some for whom even greater increases may need to be considered. I would emphasize that this was a prediction and not a statement of policy. The intention was to assess the disability in each case on its merits, and to keep an open mind in the light of any new evidence that may be obtained from time to time.

I am not in a position to give precise figures, but the committee might like to know that the total effect of all the recommendations in the report will likely be an immediate increase in the total rate of pension averaging 20 per cent or more with some increases substantially greater than 20 per cent.

In summary, my medical colleagues, who are now associated with me in implementing the recommendations in the report, share with me the conviction that the study of disabilities of Hong Kong veterans through the past two years has been of very great value. It has made it possible for the Commission to grant many applications for pension entitlement that could not reasonably have been granted, even on a benefit of the doubt basis, without the evidence we now have. It has also made it possible to assess disability in more accurate and realistic terms than previously. We shall keep in close touch with medical literature and especially with the pension authorities in other countries, who have problems similar to ours. We are grateful for the active support we have received from the Hong Kong Veterans Association which recommended the study, and for the co-operation of the veterans who participated in the survey.

And now, Mr. Chairman, I shall endeavour to answer such questions as the committee may wish to ask. If I cannot answer immediately, we shall endeavour to get whatever information you require. Thank you.

The CHAIRMAN: Thank you very much, doctor.

Mr. MACRAE: I would like to ask Dr. Richardson one or two questions, but before I do—and I do not propose to speak for the committee at all—I would like to congratulate him on an excellent job.

The first question, doctor, is that you keep using the term “avitaminosis” throughout your report. I have been interested in this matter of the Hong Kong Veterans. It has been cropping up over the years. What is the layman’s definition of “avitaminosis”?

Dr. RICHARDSON: Mr. Chairman, when our Hong Kong veterans came back from captivity the most conspicuous feature in their history and on examination was the damage which was due specifically to lack of adequate vitamins in their diet, especially the vitamin “B” complex. As a matter of administrative convenience we used the term “avitaminosis”—that is, lack of vitamins—to describe their condition for medical documentation.

In actual fact, we do not use the term now specifically with reference to the effect of lack of vitamins. We use it to describe all the residual ill effects of malnutrition and the non-specific effects of all the stresses peculiar to captivity in the Far East.

Mr. MACRAE: It is not a term generally in use in the medical profession at all?

Dr. RICHARDSON: That is correct; and certainly not with the extensive connotation that we apply to it for departmental purposes.

Mr. MACRAE: My second question is: On page 3 there is something which has been troubling me since I read your report. Near the top of that page you say: “The survey of 100 pairs of brothers did not show appreciably more hypertension or disease of the coronary arteries or other cardiovascular disability in the ex-prisoners than in their brothers. However the mortality experience of the entire group of Hong Kong survivors showed that while the death rate from all causes was not much higher than among other Canadian men of the same age, there was an abnormally high death rate from disease of the coronary arteries.”

You say that they do not have it, and yet they are dying from it. This bothers me.

Dr. RICHARDSON: This bothers all of us. When we examine a patient in a clinic we take his history and we carry out such clinical examinations as constitute good medical practice in the particular setting in which the examination occurs. We do not take the patient apart to see what is inside.

When a patient dies of cardiovascular disease we have the final test whether he had a disease or not. The evidence obtained on autopsy, the evidence from a coroner’s death certificate and in the hospital record of a man dying, under observation, from cardiovascular disease, is conclusive evidence.

Naturally, we have speculated on the possible causes, but speculation is not an official function of a civil servant, and I refrained from putting my speculations in the report. This will be a matter for discussion with the appropriate consultants when they have had a chance to digest the report.

Mr. MARTIN (Timmins): Would it be fair to say that they do not show any more symptoms, but the effect—

Dr. RICHARDSON: I do not care to say that they do not show any more symptoms. It is very difficult indeed to define the symptoms in the area of cardiovascular disease in some cases. I would not like to say we can always do it reliably. This is part of our problem.

Mr. MATHESON: Doctor, there is a point on page 4 that troubles me. You say: "It has made it possible for the Commission to grant many applications for pension entitlement that could not reasonably have been granted, even on a benefit of a doubt basis, without the evidence we now have." Now, this troubles me, as I know it troubles quite a number of veterans, because it really brings into issue the efficacy—as has been suggested by Jack McIntosh and others—of the benefit of the doubt clause.

If the Canadian Pension Commission, in the form of a person as respected as yourself, finds it possible to write this, particularly in the case of veterans who have been in prison under very adverse conditions, we wonder what the benefit of the doubt really means.

Again, in your reply to my friend, Mr. MacRae, you said: "We do not take the patient apart. We have speculated on the possible causes." And yet those speculations do not appear to be adequate to indicate pensionability. I just wanted to leave that with you. But I wonder if it makes sense, that when the Department of Veterans Affairs, over the past several years, has been geared more sharply in the direction of war veterans allowances—which is really welfare to the veteran—whether the Pension Commission has not found itself completely constricted by legalistic interpretations which have developed because you have become the watchdogs of the public purse?

Dr. RICHARDSON: Mr. Chairman, may I say, first that I am not here as a member of the Commission but as a medical adviser, and I think it would be improper for me to discuss the general interpretation of Section 70 unless my chairman asks me to do so.

You have asked a question in relation to Hong Kong veterans, and you wonder on what authority I use the terms I did use.

I would like to say that in some fields of medicine the expert medical opinion from the most experienced departmental consultants has been overwhelmingly adverse to the granting of pension entitlement to Hong Kong veterans in certain circumstances. What is an overwhelming ratio of expert opinion against an applicant it is not for me to define, but as a physician and as a civil servant there is no doubt in my mind that there has been a reversal, or, at least, a drastic change in the weight of evidence in the light of our study. Whereas, in some situations, the odds might have been 10 or 20 to one against the disability having any relationship to service, we have either established an odds-on probability, or something approaching so closely to even odds, that the problem has disappeared.

On the matter of the benefit of the doubt, if I am to be questioned more closely on it I would rather put it in writing so that I could not be misunderstood.

Mr. MATHESON: There is just one point that I have heard suggested, and it has already been advanced to the special committee headed by Mr. Justice

Mervyn Woods, by my friend, Capt. Groos, at the end of the table, and that is the recommendation that in the event of death every Hong Kong veteran will, at the cost of the Crown, have an autopsy in order to ascertain whether or not there was some significant claim. To me, this is like setting the man free after you have hanged him.

It seems to me that perhaps we should look at the benefit of the doubt clause with a more kindly attitude while he is alive. I know a good many of these people come from Quebec city. I really believe Canadians expect a good deal better for them than has been meted out in the way of benefit.

The CHAIRMAN: I think, Mr. Matheson, you are opening up another subject there, and I feel this could be raised when we study the estimates.

Mr. TOLMIE: On page 3 the statement is made: "The recommendations concern plans for further clinical study of neuropsychiatric problems by the appropriate specialists." Running through the report there seems to be the feeling that, perhaps, enough study has not been applied in regard to the psychological problems of the veterans and their personal problems. I am wondering how many psychiatrists were involved in this particular study and, secondly, what you mean by "further clinical study by appropriate specialists"?

Dr. RICHARDSON: Mr. Chairman, in this field of our survey the psychiatric investigation was under the direction of one psychiatrist in Montreal, and on the basis of a program drawn up in consultation with a number of departmental psychiatrists in different cities.

Associated with the psychiatric study was a battery of psychological tests devised by a departmental psychologist in consultation with psychologists from other departmental centres.

This program of examination was very time-consuming and it was physically impossible for these consultants to see any great number of veterans and apply the full battery of tests to them. They did in fact, see only 20 pairs of brothers. The actual examinations were probably shared by as many as two or three psychiatrists, although under the direction of one.

The results of this pilot study—and that is all we can call it—were interesting and impressive, and I may say that we have drawn all possible inferences from the data obtained.

● (12.17 p.m.)

The further study which we contemplate is to have the same program followed by psychiatrists and psychologists in another part of the country, working with veterans from a different social background, to determine if similar, or the same, results can be obtained. This is necessary in scientific terms to establish the validity of the first study. It is not a program that could be applied by many psychiatrists in many centres simultaneously. It requires very careful planning and very careful prosecution, but I think it is abundantly worth while, and has already proven to be worth while.

Mr. TOLMIE: I would like to ask one final question, Mr. Chairman.

Assuming for a moment that a prisoner is under full entitlement for a physical problem and then the psychiatric study establishes that he has psychiatric problems which deny him full enjoyment of life, is there any additional assistance which will compensate for that other problem?

Dr. RICHARDSON: Yes, there is, and there has been for many years. This has been extended rapidly in recent years, and especially since our study was completed. They are compensated in accordance with the degree of disability present.

The CHAIRMAN: The members who have indicated to me that they wish to ask questions are Mr. Herridge, Mr. Groos, Mr. Émard and Mr. Clancy.

Mr. HERRIDGE: I would like to make one mild correction in connection with something Mr. Matheson said. He used the term "welfare" in relation to the war veteran's allowance. I am sure he did not mean to use the term "welfare" in respect of recipients of the war veteran's allowance.

Mr. MATHESON: I was making a distinction so far as disability incurred in action is concerned.

Mr. HERRIDGE: But you used the term loosely, did you not?

I would like to congratulate Dr. Richardson and his associates on this report. I have studied it closely. I would like to congratulate him upon the attention he has paid to the minute aspects of this long standing problem.

Would Dr. Richardson say that, on the basis of the findings which are indicated in this report, the Hong Kong Veterans' Association appeals in this respect over many years—and I have been on this committee since 1945—were fully justified? Would he say that their appeal for a study of this type was based on sound grounds?

Dr. RICHARDSON: May I say as a physician that I believe the study was well worth while. You may have noticed that in my report I paid tribute to the Hong Kong Veterans' Association who recommended that the study be made. I think perhaps this is sufficient answer.

Mr. HERRIDGE: Yes, sir; if you were the minister I would say the answer was yes!

I am very interested to the reference in your report to your consultations with pension authorities in other countries which have faced similar problems. Can you inform us what countries are particularly interested in this type of problem and what countries were consulted?

Dr. RICHARDSON: I have been in touch by confidential correspondence from time to time with authorities in the United States, the United Kingdom, Australia and New Zealand. I have read quite a lot of medical literature coming from medical sources in these countries and in others, but I have not been in touch with the pension authorities in other countries.

Mr. HERRIDGE: Did you find the information and literature those other countries could provide helpful in this study?

Dr. RICHARDSON: Mr. Chairman, they were co-operative, but I think it would not be quite right for me to say how much contribution they made. We have a particularly close control of our prisoner-of-war problem in Canada

because we have a system of head office files through which we can find almost everything that has happened to these men in their departmental contacts in the last 20 years. Other pension authorities do not maintain in all respects the head office control that Canada maintains. With this advantage it would not be quite right to compare our observations and our sources of information with theirs.

Mr. HERRIDGE: From your experience as a medical officer with the Commission and particularly from your experience with the preparation of this report, would you say our pension legislation stands up very well against pension legislation of any other country?

Dr. RICHARDSON: To the best of my knowledge and belief it does stand up very well in comparison with legislation of other countries.

Mr. HERRIDGE: I have one final question. What action is being taken now by the Pension Commission to implement proposals made in your report in regard to the calling in of the men and the administrative procedures, and how long is it expected it will take to go through the list of men likely to be affected by your report?

Dr. RICHARDSON: The decision was that the recommendations in the report could be implemented most expeditiously and effectively by a review at head office of the files of the veterans concerned. We therefore started by drawing the files of those veterans who have died since return to Canada and whose dependants were not protected by the provisions of the Pension Act in order to determine what action we could take on their behalf. Action has been taken in quite a number of such cases.

We then proceeded to review the files of those Hong Kong veterans who gave their time and co-operation into our survey of 100 pairs of brothers, and we proceeded to take what action we could on their behalf. This consisted of a painstaking review of their files pretty well from cover to cover, a review of the assessment of disability, to determine whether there were any disabilities for which they had not been granted a pension which we could recommend should be ruled as attributable to service. We have therefore picked out of their files many diagnoses, some not mentioned at all in my report, and we have recommended that the Commission consider giving them pension entitlements; and this has been done.

Mr. HERRIDGE: In order that people understand to some extent the administrative work in this connection, can you give the committee some idea of the average time the medical officers take to review one of the files, taking a normal file.

Dr. RICHARDSON: At the risk of being thought to be slow I will say it has been quite common in this review for one medical officer to spend from one-half to one and a half hours on a single file, and to cause sections of it to be discussed with his colleagues for as much as an additional hour collectively. It has not been uncommon for two of us to discuss a problem for half an hour or more if we have felt there was need to do so or value in doing so. We have regretted the delay this has caused in attending to other files, but we felt that our duty lay in doing as thorough and effective a job as we could as we went along. This has been our approach to it. We can of course go back to these files

later on on application, but there are technical reasons which made it seem desirable to be deliberate and careful as we went along.

Mr. HERRIDGE: Well, sir, I think you should be congratulated on your thoroughness in dealing with these problems.

Several hon. MEMBERS: Agreed.

The CHAIRMAN: Gentlemen, we have four more members who wish to ask questions. I think I should not accept any more names because questions from these four members may well conclude our meeting for today. Then, we may decide if we need Dr. Richardson and Mr. Anderson to come back for our next meeting.

Mr. GROOS: I will be very brief, Mr. Chairman, because some of my questions have already been answered by Dr. Richardson.

You mention on page 2, Dr. Richardson, that in some cases entitlement has been granted for disability of the back, whether on application of the veteran or on the initiative of the Commission's medical staff reviewing the files. Is there a system of automatic review of all these files? How do you arrive at which files you will review?

Dr. RICHARDSON: I spoke a moment ago of the order in which we are now reviewing head office files of Hong Kong veterans, starting with those who were deceased, proceeding to those of the men who participated in the survey. Following those, we have proceeded to the files which happened to be stacked 50 deep in my office, and eventually we will proceed to others as rapidly as we are able. In some of these cases neither the veteran himself nor his advocate, nor the medical staff in the district office, would be aware that there was the possibility of a pension being granted for the neck, back or some other condition. I asked my colleagues to make it their business to look for such situations and, in so far as it was feasible on the evidence available, to see that the facts were placed before the commissioners for their decision. It is this routine review of the files now in progress to apply the recommendations in my report to which I referred in the final paragraph on page 2.

Mr. GROOS: On page 3 there is a very interesting statement of conclusion. I am not doubting it in any way. You state as follows:

However the mortality experience of the entire group of Hong Kong survivors showed that while the death rate from all causes was not much higher than among other Canadian men of the same age, there was an abnormally death rate from disease of the coronary arteries.

This disputes a claim that has been made by the Hong Kong veterans as a group over the years that there has been a higher mortality rate in their group than among ordinary Canadians of the same age who have not gone through their experience. I just want to ask if this is so.

Dr. RICHARDSON: To describe the details of our method of mortality study would take more time than the committee would wish. May I assure you that the method was a repetition of one I used in 1957, and in the last three or four years the method was reviewed with an adviser to a provincial government in

medical statistic. It was also the subject of detailed discussion with officials of the Dominion Bureau of Statistics and the Department of Insurance. They had no serious criticism of the methods used.

The total mortality in the period of study was 135 against a predicted number of 119, but most of that excess occurred in the early post-war years. In deaths from disease of the coronary arteries there were 47 deaths reported against a predicted number of a little less than 30. The odds against this occurring by chance alone were greater than 200 to 1. We must agree that this is an excess number of deaths for the disease even though it is only 17 more than predicted.

● (12.34 p.m.)

Mr. GROOS: At the bottom of page 3, in the second last paragraph, Dr. Richardson made a statement that the total effect of all the recommendations in the report will likely be an immediate increase in the total rate of pension averaging 20 per cent or more with some increases substantially greater than 20 per cent. Will you tell us approximately how many pensions now will be above this very important percentage of 48 per cent? Is it not 48 per cent which is necessary for survivors' benefits?

Dr. RICHARDSON: Mr. Chairman, I am not in a position to give that information and I would think it unwise to make a prediction from an examination of the first 50 or 100 files. I feel one could not make even an estimate of the final result until at least 300 or 400 files have been reviewed.

Mr. GROOS: But certainly it is safe to say that a significant number of people subsequently will have their pension rates increased above the 48 per cent required for survivors' benefits as a result of your investigation.

Dr. RICHARDSON: There will be a significant number, and I can assure you that the medical advisers are aware of the significance of the 48 per cent level.

Mr. GROOS: In conclusion I would like to express my own appreciation to Dr. Richardson for his important study.

If I may, there is a question contained in a letter I have received from a Hong Kong veteran, and I would like to read this letter. It is from a Mr. Frank Breakwell in Victoria, British Columbia. He says:

Thank you for the report of study of disabilities and problems of Hong Kong veterans. I have made a complete study of this report and am satisfied that it meets all our needs.

It has been noted that there are areas where further investigation is indicated and not recommended.

In my opinion the recommendations will allow the commission to adjust pension in the degree desired.

He then makes a couple of suggestions, and he goes on to say:

There is however an area, in which I am concerned, and that is interpretation at local levels. Dr. Richardson has probably thought of this and made the necessary arrangements for instruction, but it will be appreciated if you will ask him about this.

Before I ask you to make some comment on this I would like to read the last paragraph, which says:

I feel that the Hong Kong veterans and the Government of Canada owe Dr. Richardson a debt of gratitude and would like to hear this expressed in the House of Commons.

Dr. Richardson, could you comment on this query of Mr. Breakwell's with regard to interpretation at local levels.

Dr. RICHARDSON: This is not an easy problem to handle, especially when professional people are involved. At present we approach it by making a review of the files at head office in a rather more arbitrary way than is customary in this organization, and we have from the commission authority to take such action as we see fit from the head office files. So a difference of interpretation at the district office level will not affect the review of head office files now in progress. On the question of a difference of approach between our district offices I might say that this gives us some concern and recommendations are being prepared which will be placed before the commission in due course. We felt we should examine an additional number of files before finalizing our recommendations to the commission, but, in due course, we shall inform the chairman of the commission of our findings.

(Translation)

Mr. ÉMARD: I should be curious to know why some veterans tend to suppress their symptoms at pension examination, specially in certain cases, when they are receiving treatments from their own physician, as mentioned on Page 1, Paragraph 5 of your Report.

(English)

Dr. RICHARDSON: Mr. Chairman, this is a problem which has not been unique to Canada. The Australian report, which I mentioned earlier, describes the same situation occurring in other countries. There are men who have been prisoners of war or in concentration camps who persistently have refused to apply for compensation or to report for examination when invited to do so. I would not like to get involved in the psychiatric explanation of this phenomenon but I can say briefly that it is not unknown for people to deny the presence of symptoms or problems which consciously they know exist. This is an observation not peculiar to the field of medicine. People often look the other way when they are confronted with a difficulty they do not know how to handle. It is unfortunate but we do what we can to deal with this situation. However, this is well recognized both in medicine and in other fields.

Mr. HERRIDGE: You are quite right. I deny the effects of old age.

Mr. ÉMARD: Mention is made here on Paragraph 5, that in certain cases, these veterans receive treatments from their own physician. Why would they receive treatments from their own physician where they have to divulge their symptoms, and why would they hide their symptoms for pension examination?

Dr. RICHARDSON: Mr. Chairman, in some cases a veteran may find it more convenient and more satisfying to accept the services of a physician in his own community whom he has known since childhood rather than to travel some distance to be cared for by a physician with whom he is not acquainted and who

does not know his social and medical background. In general terms, this is one of the reasons. Perhaps another is that Hong Kong veterans often are uncertain of the extent of treatment rights—that is, the extent to which they may receive treatment at departmental expense. I would remark that if a man has an entitlement for a gunshot wound of the left leg there can be little doubt that the trouble related to this wound is the responsibility to the Department of Veterans Affairs. But, when he has a disability of the Hong Kong type, with many varied manifestations, he may not be aware of the full range of symptoms which the department would recognize as related to his pensionable condition. Confusion is inevitable in this regard. We do what we can by correspondence, through the Association and by other means to keep veterans informed of their rights, but there are many real difficulties.

The CHAIRMAN: Have you a question Mr. Clancy?

Mr. CLANCY: I will be brief. My question has been answered.

Mr. MADILL: Mr. Chairman, my question is related to that previously brought up by Mr. Matheson and I am basing it on the reply given by Dr. Richardson. Could this committee give more support to the medical departments findings and reports submitted to the commission in order to add weight in securing pensions for veterans and their dependents?

Dr. RICHARDSON: Mr. Chairman, the commission has informed me it accepted the recommendations made to it in my report, and I do not know what more could be asked of it.

Mr. MADILL: Well, my question relates to the benefit of the doubt. Could this committee give more support?

Dr. RICHARDSON: Mr. Chairman, I do not wish to get out of my field but I do recall reading the minutes of this committee and Hansard in previous years and I gained the impression that discussion of giving someone the benefit of the doubt can be a protracted and not a conclusive exercise. In this context I would suggest it might be wise to let matters proceed as they are at present and the commission, I am sure, is always only too pleased to reconsider a claim in the light of new evidence or arguments, and I am sure it will understand the committee's attitude to these problems.

The CHAIRMAN: May I say that this question is of a general nature and it could be looked into, so far as the whole problem is concerned, when we revert to the estimates or when we have the Wood's report in front of us.

This completes our questioning for today, gentlemen. Are we of the opinion that we should ask Dr. Richardson to come back to our next meeting? Also, is it your wish that we invite Mr. Anderson, the chairman of the Canada Pension Commission, to return to give any personal comments he may have in respect of the commission's interest in this matter.

Mr. MACRAE: Mr. Chairman, it is my understanding that we are dealing with this report, at the present time.

The CHAIRMAN: Yes, definitely. We are not covering the Canadian Pension Commission's work as a whole.

Mr. HERRIDGE: If his comments are related directly to this report that would be all right; otherwise, there might be a great deal of repetition when we receive the report from Mr. Justice Wood on administration of the Pension Commission.

The CHAIRMAN: Yes, but would it not be to our benefit to cover as much as possible of the Hong Kong report.

Mr. HERRIDGE: Yes, surely; I think we should deal with this report but we should not deal with matters which, without a doubt, will be dealt with in the other report.

The CHAIRMAN: You are quite right. I wish to thank Dr. Richardson for his presentation and for his co-operation in answering questions. I particularly would like to congratulate him for the report. Also, I would like to thank Mr. Anderson for being here this morning. I think it would be worth while to have both of you gentlemen in attendance at our next meeting which will be held at the call of the Chair, and as soon as possible after Easter recess.

Could I have a motion for adjournment.

Mr. HERRIDGE: I second the motion.

Mr. FANE: I move that we adjourn.

Motion agreed to.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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LÉON-J. RAYMOND,
The Clerk of the House.

CURRENT ISSUE
KEPT IN STACKS

SCL. MED. DIV.

HOUSE OF COMMONS
First Session—Twenty-seventh Parliament
1966

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

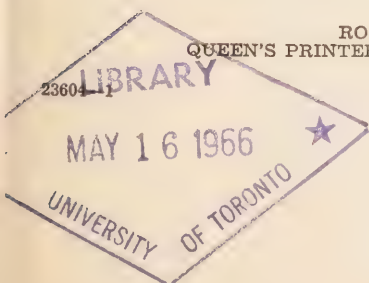
TUESDAY, APRIL 26, 1966

Respecting the
REPORT ON HONG KONG VETERANS (1964-65)

WITNESSES:

*From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman;
Dr. H. J. Richardson, Assistant to Chief Medical Adviser.*

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966



STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,
Mr. Herridge,

Mr. Horner (The
Battlefords),
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. Madill,
Mr. MacRae,
Mr. Martin (*Timmins*),

Mr. Matheson,
Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas (Maison-
neuve-Rosemont),
Mr. Tolmie,
Mr. Webb—24.

(Quorum 13)

R. V. Virr,

Acting Clerk of the Committee.

Mr. Chatterton replaced Mr. Horner (*The Battlefords*) on April 25, 1966.

ORDER OF REFERENCE

MONDAY, April 25, 1966.

Ordered,—That the name of Mr. Chatterton be substituted for that of Mr. Horner (The Battlefords) on the Standing Committee for Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, April 26, 1966.

(3)

The Standing Committee on Veterans Affairs met this day at 9.40 a.m. The Chairman, Mr. Gérald Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Émard, Fane, Habel, Harley, Herridge, Kennedy, Laniel, Legault, Madill, MacRae, Martin (*Timmins*), Ormiston, Rock, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (20).

In attendance: From the Canadian Pension Commission: Mr. J. L. Anderson, Chairman; Dr. H. J. Richardson, Assistant to the Chief Medical Adviser; Mr. A. L. Fortey, Secretary; From the British Ministry of Pensions: Mr. Raymond Tow.

The Chairman reported on the participation of Committee members at the 21st Dominion Convention of the Royal Canadian Legion held in Montreal April 17th to April 22nd.

The Chairman informed the Committee that the members would receive an invitation to attend the opening ceremonies of the Council Meeting of the World's Veteran Federation to be held in Toronto on Sunday, May 1, 1966.

The Clerk of the Committee read letters which were received from the Department of Veterans Affairs and the Hong Kong Veterans Association of Canada regarding the proceedings of the Veterans Affairs Committee.

On a motion by Mr. Carter, seconded by Mr. Herridge,

Resolved,—That the Steering Subcommittee look into the matter of acceptance of invitations from Veterans Associations, as a policy for the Committee.

The Committee examined the recommendations of the Hong Kong Report.

After further questioning of the witnesses, at 11.05 o'clock a.m., on motion of Mr. Ormiston, seconded by Mr. Harley, the Committee adjourned until 9.30 a.m., Tuesday, May 3, 1966.

R. V. Virr,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by electronic apparatus)

TUESDAY, April 26, 1966.

● (9:42 a.m.)

The CHAIRMAN: Gentlemen, I now see that we have a quorum, so we will proceed immediately. If you permit me, I would like to present to you the people who are appearing before us and we also have a guest.

We have back with us this morning, Dr. Richardson, who made a presentation to the Committee at the last meeting, and with whom we started questioning about the Hong Kong report, and Mr. Anderson, the Chairman of the Canadian Pension Commission, Mr. A. L. Fortey, the Secretary of the Canadian Pension Commission, and finally we also have Mr. Raymond Tow of the British Ministry of Pensions and National Insurance.

After I have covered two of the points on which I wish to report, we will proceed, if you agree, with the questioning of Dr. Richardson and after this, if the Committee has any questions to ask Mr. Anderson, the Chairman of the Canadian Pension Commission, you could address questions to him as well. I do not know how far this will take us, but I think we covered a lot of ground at the last meeting.

I would suggest to the Committee that if we have some time available, it might be useful for us and for the Steering Committee who will have to draft some sort of a report for the Committee, for presentation to the House, that we read the different recommendations that were made in the Hong Kong report. By such a reading some further questions might arise in the minds of the members. The purpose of our next meeting will be the acceptance of the report to the House of Commons. Are the members agreeable to everything I have said?

If you do not mind, I will start by giving a very short report of the participation of the members of the Committee in the Dominion Convention of The Royal Canadian Legion, which was held a week ago, at the end of our Easter recess. Even though this was not an official participation by the Committee, you may be assured that our presence there was very much appreciated.

Eleven of our members were present at the Convention, attended the opening, and attended also some of the meetings. As I said, our presence was really appreciated by the heads of the Legion and the members of the Committee were invited on to the platform and presented to the Assembly by the Chairman of the Committee, before the Minister made his presentation to the Convention.

I just want to mention to you that the people responsible for The Canadian Legion have expressed the hope that at further bi-annual conventions the

Committee could send a delegation that would stay there for the whole Convention, and really participate, or at least be present at, all the general discussions. I think this would be a very good idea. So we could, when the time comes, two years from now, see if there is any possibility of having an official representation and perhaps, with the help of the Department, have some of the expenses paid, at least for any of the members who would remain during the whole of the Convention.

As planned the Committee drove down to Ste. Anne de Bellevue and visited the veterans hospital there. Seven of our members participated in that visit, which proved to be very very interesting and informative. We saw the outstanding work that is done and the effort that is made for the welfare of our veterans. The people responsible for that institution also took the opportunity of supplying us with information so far as the construction program, which is still under study, is concerned. The decision for this program has been taken by the Department, but they are still working on plans and trying to find out which would be the best way to prepare the drafts to give better facilities to the veterans. If there are any questions about this visit I would be very happy to answer them.

Before I go through the correspondence that we have received, I would like to mention to the members of the Committee that next Sunday will be the Council meeting of the World Veteran Federation. I have checked with my office and I do not think we have as yet received an invitation, but I was speaking to Mr. Gordon Way this morning and we are to receive invitations to the opening ceremony, which will be held in Toronto on May 1st, next Sunday, at 8.00 p.m. I am told that we should be there at 7.45 so that we can be directed to our seats. I have spoken to the Minister and there will be an aircraft leaving Ottawa, sometime at the end of the afternoon. The schedule is not definite yet. The Committee will have 15 places available for them on that plane, which will fly from Ottawa to Toronto at the end of the afternoon, returning here on the same evening—I do not know at what time.

If there are any members interested in attending this Convention, and at which the Prime Minister will be the guest speaker, would you please give me your name and advise me how you will reach Toronto, or whether you require space on the plane. If we can find out how many of us will be on that plane, it will give an opportunity to the Department of knowing how much space they have available for other people. One way or another, I will be in contact with all the members of the Committee.

Now, gentlemen, are there any questions on that Convention? Just for my own satisfaction so that I will have an idea, could the members who are interested in going, raise their hands.

Now I would ask the Clerk to read some of the correspondence that we have received. First there is a letter from Mr. Peter Curd about the report of the Woods Commission on Organization and Administration of the Canadian Pension Commission.

CLERK OF THE COMMITTEE: The letter reads:

DEPARTMENT OF VETERANS AFFAIRS
MINISTÈRE DES
AFFAIRES DES ANCIENS COMBATTANTS

April 5, 1966.

Mr. Gérald Laniel, M.P.,
Chairman,
Standing Committee on Veterans Affairs,
Room 472, West Block,
Ottawa, Ontario.

Dear Mr. Laniel:

Further to our recent telephone conversation and your discussion with the Minister a few days ago, this is to advise that the Committee to Survey the Organization and Work of the Canadian Pension Commission has scheduled additional hearings this month and expects to hear representations from a variety of groups including several M.P.'s on Wednesday and Thursday, April 13 and 14, and on Wednesday and Thursday, April 20 and 21.

I am advised that besides one or two groups who wish to make representations additional to those made earlier to the Committee, there are several others who have indicated only recently that they too wish to be heard.

In addition to this, I understand the Committee itself has decided to Call one or two groups and, as a consequence, are unable at this time to say exactly when they intend to conclude all hearings.

Sincerely,

Peter B. Curd,
Executive Assistant

The CHAIRMAN: I wanted this letter to be read to the Committee, for the main reason that this will affect our work. I do not know how soon we can get that report but I think it is one thing we should look forward to that study of the general administration and organization of the Canadian Pension Commission. And it will also affect the studies of our estimates because some of the points that will be raised on the estimates will certainly come back when we look at that report.

We also received letters from the Hong Kong Veterans' Representatives concerning this morning's meeting so I wanted to have them read to you so you will know the interest they take in our meetings.

CLERK OF THE COMMITTEE: The two letters from the Hong Kong Veterans Association of Canada read as follows:

Sawyerville, Que.
R. R. No. 1.
April 21st. 1966.

Mr. Gerald Laniel, M.P.
Chairman of the Standing Committee on Veterans' Affairs.

Dear Mr. Laniel:

The Executive of our Branch wish to thank you for your kind invitation to attend the meeting of the Standing Committee on Veterans' Affairs on April 26 next. It is very difficult for any of our members to be present at this time. I understand our National Secretary has already communicated with you on this matter.

Wishing you and the Standing Committee the best of success.

I remain,

Yours very truly,

Lionel Hurd, President.

Hong Kong Veterans' Association of Canada,
Quebec Branch.

1388 Pritchard Avenue,
Winnipeg 14, Manitoba,
April 19th, 1966.

Mr. G. Laniel, M.P., Chairman,
Standing Committee on Veterans Affairs.

Dear Sir:

We were advised yesterday by Mr. L. Hurd, President of the Quebec Branch of your invitation to appear before the Standing Committee to present our case on Dr. Richardson's Report (1964-1965). Your invitation is much appreciated but our organization have made two appearances and submissions to the Committee to Survey the Work and Organization of the Canadian Pension Commission first on January 22nd, 1966 and again on April 13th, 1966. If at all possible, we would appreciate a postponement of this appointment until Justice Woods and his Committee present their recommendations to the Standing Committee for consideration. Following this, we will be pleased to have the opportunity to appear before your Committee and answer any questions. As well, it would be

most difficult for us to contact all Branches who wish to have representatives present if we had to appear April 26th, 1966.

We hope this will not cause you any inconvenience and we will be writing further to you in this regard.

Yours very truly,

A. H. Delbridge—National President

R. F. Lytle—National Secretary

Hong Kong Veterans Association of Canada.

The CHAIRMAN: Now, gentlemen, we will proceed with the further questioning of Dr. Richardson, and I would ask the members who have questions to—

Mr. CARTER: Mr. Chairman, before you start questioning the witness, I would like to ask a question concerning our attending Conventions. Are we now adopting a policy of accepting invitations to any organization that might issue invitations? There are other very important organizations, there are the Army & Navy League, and other veterans organizations. Are we going to accept invitations to send representatives of the Committee to other conventions to which we might be invited?

The CHAIRMAN: Well, that was the impression I had, from previous years. I do not know exactly in what capacity we did participate in these various activities.

Mr. CARTER: There were Conventions that we attended but as individuals, rather than as members of a Committee.

Mr. HERRIDGE: The only Convention that members of the Committee attended was the Royal Canadian Legion. We attended as individuals the other veterans organizations.

The CHAIRMAN: Is there any member who knows that we had been invited as a group to other Conventions?

Mr. HERRIDGE: I have no recollection. I have been on this Committee since 1945.

The CHAIRMAN: This means that the Legion was the only organization that was inviting the Committee as a group. As far as this coming Council meeting of the World's Veterans Association is concerned, I think this is the first time that they have come to Canada, and the Prime Minister is addressing them that night of the opening. This is probably the reason why they have expressed the wish that the Committee be there. I saw and spoke to the Minister so that we could get transportation from Ottawa by plane, so that members would not lose too much time.

Mr. CARTER: I think the Steering Committee might look into that question so that we will have a definite policy.

Mr. HERRIDGE: Would you move that?

Mr. CARTER: I would move that, Mr. Chairman.

Mr. HERRIDGE: And I will second it.

● (10.00 a.m.)

The CHAIRMAN: Moved by Mr. Carter, seconded by Mr. Herridge, that we look into the matter of attendance or acceptance of invitations of veterans' associations, as a policy for the Committee.

Mr. ORMISTON: Mr. Chairman, before you go on with the business, I would like to mention the fact that the Inter-Parliamentary Group which is under the leadership of Mr. Favreau—

The CHAIRMAN: Just a moment please, could we terminate the present discussion and come to a decision on the motion of Mr. Carter.

Mr. HERRIDGE: Mr. Chairman, just before you put that. I think what Mr. Carter has in mind actually is to review the situation with regard to each organization. But I think what he had in mind is that it may be possible to have two or three representatives from the Committee attend this Convention.

The CHAIRMAN: I think that the Steering Committee will see exactly what is meant when we study this question and we could enquire from the Department, especially through the Information Services Branch, where we could find out about the possibilities of invitations and official delegations one way or another.

Moved by Mr. Carter, seconded by Mr. Herridge, that the Steering Committee look into the matter of acceptance of invitations from veterans' associations as a policy for the Committee. Is this what you meant?

Mr. CARTER: Yes.

The CHAIRMAN: Is this agreeable to the Committee? All those in favour?

Agreed.

Mr. ORMISTON: As I mentioned, a group of the inter-parliamentarians visited and were guests of the veterans' association in Nice, France, and the Chairman of the Group, when he realized there were some veterans present from the Veterans' Affairs Committee, asked that we convey their very kindest regards and respects to us here in Canada, because they have a great admiration for the work that has been done by the Government and by the Veterans' Affairs Committee. It is obvious that the veterans in France do not rate the same kind of pension as they do in Canada, and they were very interested in the manner in which we operate. But I did just want to say the felicitations on their behalf and they will be very glad to see the day when they get the same treatment as the veterans in Canada.

The CHAIRMAN: I guess we should be proud of what is done in Canada for our veterans. I hope you took the opportunity to invite them to Canada and maybe to take a further look at the work that is done towards veterans here.

Mr. ORMISTON: Mr. Favreau, was the Chairman. I am afraid that I—

The CHAIRMAN: Unofficially, I mean. Any other questions to bring before we carry on with the questioning of our witness? Did all the members get a

copy of the brief that was presented to us by Dr. Richardson? You probably received the report that was printed regarding our work up until now in which you will find the evidence of our last meeting. Are there any questions for Dr. Richardson?

Mr. CARTER: Dr. Richardson, your study, I understand, was unique in that it examined pairs of brothers, one of whom had been a Hong Kong prisoner, and the other who had served in another military sphere. Have your studies sparked off any special interest in other countries to expand study along similar lines?

Dr. RICHARDSON: Mr. Chairman, I have no official knowledge of any such study. Some interest in the method was expressed by one of our friendly neighbours, and examination of the report is still in progress in other countries which are friendly. I do not know whether they have any plans, though, to try and duplicate the study.

Mr. CARTER: I gather that the one handicap in your study was the small number of samples that you had to study, and I was just wondering whether we might not make some arrangement with some of our allied countries who had more experience, more prisoners, in the Eastern Asiatic countries during the war than we had. I think this is a very valuable platform—the most valuable study that has ever been made of this kind of problem and, since our sample is so small, I think it would be useful if we could induce some other countries, like the United States and Great Britain, to continue it along similar lines, even if we had to collaborate with them.

Mr. HERRIDGE: Mr. Chairman, on a point of order. I have just been invited by a lady to address a group at the Commons. Will you excuse me for half an hour because I cannot say “no” to a lady.

The CHAIRMAN: We understand your problem, sir. I will let Mr. Richardson add something in reply to the question that was brought up by Mr. Carter.

Mr. ORMISTON: But mine is a supplementary, Mr. Chairman, so that he could probably answer both at once.

The CHAIRMAN: Yes, all right, Mr. Ormiston?

Mr. ORMISTON: Having a representative of the High Commissioner's office?

The CHAIRMAN: Yes.

Mr. ORMISTON: Here, I was wondering if any comparisons had been made as far as the studies of the Canadian Veterans' and the Commonwealth troops as far as the reports are concerned. Did you make any comparisons with the disabilities of the veterans in the eastern theatre as compared with the British or the American or the Australian?

Dr. RICHARDSON: The American authorities published a report some ten years ago comparing men who had been prisoners of war in the Far East, with those who had been prisoners in Europe and with men who had served in combat but not as prisoners, both in the Far East and also in Europe. This publication was freely available ten years ago by Messrs. Cohen and Cooper. The more common plan for field studies in the United States is to use a

questionnaire rather than to examine the veterans in detail, as we have chosen to do. They have expressed some interest in our methods, but I believe they already have in progress plans for a further study along their usual lines by questionnaire, and, of course, I am not in a position to say anything about what their future plans may be. I have been in touch with officials of the British Ministry of Pensions and they have shown some interest in our data, and we are exchanging correspondence on some of the more troublesome aspects of it. I have no detailed information on the studies they have made of their Far Eastern prisoners. I have asked them if they would let me have what data they have, but I am not in a position to make any comparison.

Mr. HARLEY: Dr. Richardson, just for clarification on the first page of your report, on page 3 actually. You are comparing a group of Hong Kong veterans with their brothers who had served in the Armed Forces in World War II, but had not been prisoners of war. Do you mean prisoners of war either in Germany or in Hong Kong?

Dr. RICHARDSON: That is correct.

Mr. HARLEY: In other words, there are no prisoners of war from Germany included in your data?

Dr. RICHARDSON: None.

Mr. HARLEY: In reading your report through, there is one set of figures that seemed to be a little in conflict with one another and I wondered if you could outline the differences. On page 27, dealing with "avitaminosis", it is mentioned that out of 100 ex-prisoners 95 had been granted pension entitlement for avitaminosis. And then going into this on page 58, it is mentioned defining by another group that 4.6 per cent had no signs or symptoms of the "avitaminosis", and then another 15 per cent who had no signs or serious complaints. Are you comparing here somebody else's study to your study?

Dr. RICHARDSON: Yes, I was. On page 27, when I spoke of 95 having been granted pension entitlement, I referred to the 100 ex-prisoners who were the subject of special examination in 1964 and 1965. On page 58, I referred to a study conducted in the Winnipeg area only, by the late Dr. J. D. Adamson, on the available prisoners, and it was among them that he found 4.6 per cent who had no signs or symptoms of "avitaminosis", and an additional 15.3 per cent who had no signs or serious complaints.

The report is mentioned in the bibliography, I think it is a report of about 1956. I can identify it for you if you wish.

Mr. HARLEY: No that is fine. There is one other question, if I may, Mr. Chairman. As far as "avitaminosis" is concerned, in the review of the cases was the diagnosis of "avitaminosis" based usually on some objective sign of it or on a subjective complaint of the pensioner? Or is that a fair question?

Dr. RICHARDSON: It is based on a combination and also on an examination of their records. When he said there were 15 per cent who had no signs or serious complaints, we can assume that he decided there were residual effects on the basis of history and of records of previous objective evidence of disease. In 4.6

per cent he found neither signs nor symptoms, and made no diagnosis. That is in 4.6 per cent of the group he surveyed.

Mr. TOLMIE: On page 64 at the bottom, a statement was made:

Accordingly a recommendation is being made to the Commission for a careful and sympathetic review of the assessment of disability in accordance with the evidence in each individual case.

I would assume that means—and I think you have indicated this before—that each case will be reviewed individually. Now, you say
in addition,

which is at the top of page 65,

a recommendation is being made with respect to an effective date for any increased rate of pension which may result from this general review.

Does this mean that each case will be reviewed as to the assessment of disability and that, in addition to that, there will be a recommendation for an increased rate based on that disability?

Dr. RICHARDSON: That is correct. We examine the file of a veteran, and we find that, on the information now available to us, an increased rate of assessment can be recommended from reports prepared prior to the 1st of January, 1964. The increased assessment becomes effective from the 1st of January, 1964. The veteran may have been examined since then and there may now be evidence that his disability is greater than it was in 1963, and a further increase would be made from the date of examination, which might be in 1964, 1965 or 1966.

The CHAIRMAN: Any more questions? Mr. Tolmie?

Mr. TOLMIE: No.

Mr. ÉMARD: Out of the approximate 1200 Hong Kong Veterans, could you tell me how many are from the Province of Quebec?

Dr. RICHARDSON: I should think something like 300 to 350.

Mr. ORMISTON: Dr. Richardson, I understand from figures compiled here, that 140 veterans have died since they were repatriated, 115 are now on a 100% pension. On those 140 who died, were the majority of them on a large disability pension? Or can we draw any conclusions from those figures?

Dr. RICHARDSON: I cannot say how many were in receipt of a pension at the rate of 100 per cent, how many of the deceased persons. I am sure there were some who were not in receipt of disability pension at all. There is, in other words, no very clear evidence that men receiving disability pension at a high rate were likely to die earlier than those who were not in receipt of a high rate.

Mr. ORMISTON: Yes, this was the point I was trying to clear up.

Dr. RICHARDSON: I am not aware of any very definite trend in that regard.

The CHAIRMAN: Any more questions, gentlemen?

Mr. CARTER: Perhaps my question should be addressed to Mr. Anderson rather than the Chairman of the Pension Commission, but it follows on the questions by Mr. Tolmie and Mr. Ormiston. The effect of these recommendations will be to increase the rate of disability of certain Hong Kong pensioners.

Now, with respect to the widows of those who have died, if these veterans had lived to take advantage of this, there would doubtless be some who would reach the 50 per cent rate, which would automatically cover their wives and dependents. But their wives and dependents would not be covered at the time of their death because they were below that disability rate. Now, in what way will these recommendations affect the widows and dependents of deceased Hong Kong veterans?

Mr. ANDERSON: Mr. Chairman, in some cases it will be possible to date the increased assessment back to the time either prior to or about the same time as the man's death in which case, if the assessment is 48 per cent or greater, a man's widow will then automatically receive pension effective the 1st of January, 1964. If, on the other hand, it is not possible to date it back that far and we cannot apply the provisions of Section 36(3), that is the section under which widows receive pension if the man was in receipt of a pension at 48 per cent or higher at the time of his death, we will pay the pension under Section 25. We have in at least one case that I know of, done that already. So that, in one way or another, these people will be taken care of.

The CHAIRMAN: Thank you. Are there any further questions either to Dr. Richardson or to Mr. Anderson. We have covered, I think, most of the ground of the questioning to Dr. Richardson. But, at this time, are there any specific questions you would wish to ask Mr. Anderson, the Chairman of the Canadian Pension Commission, as far as what the Canadian Pension Commission is planning to do concerning the application of the recommendations on the report.

Dr. HARLEY: Mr. Chairman, I have one question but it concerns the first recommendation, so if you want to leave it until that time.

● (10.15 a.m.)

The CHAIRMAN: Yes. As there do not seem to be any specific questions, is the Committee agreeable to my suggestion that I read through, one by one, all the recommendations. There are ten pages of recommendations from page 66 of the report to page 76, and I will read the recommendations on every one of the subjects and I will stop if there are any specific questions that you want to ask either Dr. Richardson or Mr. Anderson.

Page 66.

Mr. ÉMARD: In French, on what page is it?

The CHAIRMAN: In French, it is page 71, I think. Yes, page 71.

Recommendations re Psychiatric and Neurological Disabilities

1. That the Commission and Treatment Services continue the current policy of accepting under the general heading "avitaminosis" the psychiatric disabilities which in expert medical opinion are related to service stress;

Mr. HARLEY: May I ask a question on that first? I am not sure whether my question should go to Mr. Anderson or Dr. Richardson. I was wondering, on the basis for that recommendation, is it easier from the Pension Commission point of view, to accept a diagnosis of some psychiatric disability of a non-severe kind under "avitaminosis" than try to prove a case on a psychiatric basis, which we know is rather difficult under most circumstances?

Dr. RICHARDSON: That is correct, but there is a little more to it than that. If a man who has jaundice feels depressed, we do not make a separate diagnosis of depression. We consider this a manifestation of his disease. To the extent that nervous symptoms are a result of the nutritional and physical stresses of captivity, there is no useful purpose served in making a separate psychiatric diagnosis for nervous symptoms.

Mr. HARLEY: You are making an assumption that all their psychiatric complaints are related to "avitaminosis"?

Dr. RICHARDSON: I am not making an assumption that they are all related, but that some of them are. There is experimental evidence, of course, that people are depressed when they voluntarily starve themselves, and various other psychiatric symptoms are easily demonstrated in human experiments on starvation.

The CHAIRMAN: One point that I would want to make clear. If at any moment, Mr. Anderson, you feel that you would wish to add something to a reply or be of the opinion that it should be answered by you, I want you to feel free to intervene.

Mr. ANDERSON: Thank you.

The CHAIRMAN: Is that all on No. 1?

Mr. CARTER: I do not quite see how it would be possible, now, if you find a Hong Kong veteran suffering a psychiatric disability, how it would be possible to tell whether it was due to avitaminosis or some other cause, so you would automatically have to assume, wouldn't you, that it was caused by lack of nutrition during the term of the imprisonment?

Dr. RICHARDSON: There is a great deal of literature on this problem, dealing especially with men who were in German hands in concentration camps, or prisoner-of-war camps. The resultant picture has sometimes been described as the KZ syndrome. Other terms have been used. We feel that the experts can recognize the kind of psychiatric disturbance that is reasonably attributable to prisoner-of-war experience. And, in our interpretation of the data, we try to use that benefit of the doubt which we believe this Committee and Parliament would wish us to use. We do not put a narrow construction on the data or on the possibility of service relationship. We try to interpret it in broad sympathetic terms. We do not like to put facts in narrow categories, when we cannot establish the validity of these narrow categories.

The CHAIRMAN: Is that satisfactory, Mr. Carter?

Mr. CARTER: Thank you.

The CHAIRMAN: The second recommendation:

2. That the information obtained in both the medical and the non-medical sections of this study be taken into account by the Commission in assessing the significance of these disabilities.

Mr. ÉMARD: What is meant by non-medical sections of the study? Is this the social aspect of it, or what?

Dr. RICHARDSON: That is right.

The CHAIRMAN: The third recommendation:

3. That Treatment Services make such arrangements as may be found appropriate for continuing and extending the programme of neuro-psychiatric and psychological investigation mentioned in this report, as being of considerable potential value for both treatment and pension purposes.

Mr. MACRAE: What do you have in mind there, Doctor?

Dr. RICHARDSON: I think I mentioned this on a previous occasion. A study conducted by two clinicians in one City on a small group of veterans, does not stand the test of rigid scrutiny in the scientific world. We feel that the programme of psychiatric and psychological tests conducted in Montreal should be repeated in another city by other consultants and, only if they are able to duplicate the Montreal results, can we place a great deal of confidence in the finding. This is the plan.

The CHAIRMAN: Just for the benefit of the people taking the evidence, I said Mr. Carter and it was Mr. MacRae. Fourth recommendation:

That close liaison be maintained between the Commission's Medical Staff and Treatment Services in relation to such disabilities, and in relation to the programme of clinical investigation.

This concludes the recommendations for Psychiatric and Neurological Disabilities. Are there any questions?

Mr. ORMISTON: Dr. Richardson, what is the proportion between the psychiatric and neurological cases and the strictly physical disability?

Dr. RICHARDSON: What is the . . . ?

Mr. ORMISTON: The proportion? Have you got any percentages?

Dr. RICHARDSON: It would be impossible to define, I am afraid.

Mr. ORMISTON: Because you have some in both categories?

Dr. RICHARDSON: That is correct.

Mr. ORMISTON: At the same time?

Dr. RICHARDSON: At the same time yes. And it would be extremely difficult to take a symptom in some cases and say this is of psychogenic origin and not physical. In many cases, we are uncertain of the origin.

Mr. ORMISTON: This is one of these problems, is it not?

Dr. RICHARDSON: Yes it is. But our responsibility is mainly to determine its relationship to service, as far as the Commission is concerned. Beyond that, it is a treatment problem.

Mr. MARTIN: I was wondering if that was maybe a hint or an indication that there have not been as close a liaison in the past as is desirable?

Dr. RICHARDSON: I would not like to put it that way.

Mr. CARTER: I take it, Dr. Richardson then, that you envisage different phases of this study being carried on for some time yet in the future, is that correct?

Dr. RICHARDSON: That is correct.

The CHAIRMAN: Now shall I proceed with the reading of the recommendations on peptic ulcers? The first recommendation:

That the Commission take cognizance of the evidence relating to the prevalence of peptic ulcer in the Hong Kong group, and undertake to review, with due regard to all available evidence, claims for entitlement for peptic ulcers which have been previously considered and not granted, and similarly, for other claims which may be made in the future.

Mr. CARTER: I take it that this group referred to in this recommendation are veterans who have submitted claims for peptic ulcers and have been rejected on the grounds "not attributable to service". Is that right?

Dr. RICHARDSON: That is right.

Mr. CARTER: And now the effect of this recommendation will be to re-consider that as being related to their service?

Dr. RICHARDSON: That is right.

The CHAIRMAN:

2. That, when indicated, the Commission facilitate the processing of claims which may be made following an Appeal Board Hearing, by granting leave under Section 65-4 to make a fresh application, with a minimum of delay and without requiring the applicant to adduce new evidence or argument in support of his claim.

3. That the Commission examine each such claim in the face of the possibility that longstanding atypical gastro-intestinal symptoms may in some cases have been due to an unrecognized peptic ulcer.

Mr. CARTER: Mr. Chairman, you went a little too fast on 2.

The CHAIRMAN: You may come back to it.

Mr. CARTER: This one, I take it, deals with the claims by Appeal Board Hearings. Claims that have been dealt with by Appeal Boards and rejected by the Appeal Boards. Now does this recommendation that they be automatically granted leave to re-open?

Dr. RICHARDSON: That was the recommendation and that has been done. So that the adverse Appeal Board Hearing does not constitute a serious bar to the re-examination of the merits of the claim.

Mr. CARTER: They do not have to go through the usual procedure, then, of requesting leave to re-open and the Commission setting up a special Appeal Board to deal with their requests and to advise the Commission. Is that all being by-passed?

Dr. RICHARDSON: Not necessarily.

Mr. ANDERSON: This is only being done where there is evidence that we can grant something. I think that perhaps I better just make this clear. As you know, no one has the right to re-open a pensioner's claim except upon his own request. Otherwise, if someone decides that he is getting more than he should be getting someone would re-open the claim and perhaps take something away from him. But under the legislation, no one is permitted to re-open a claim once it has gone to Appeal Board unless the individual requests it. In most cases, a three-member board of the Commission decides that leave to re-open should be granted. Now where we find that we are going to be able to give the man something that he did not have previously, we realize that he is not going to object to having his claim re-opened, so we give him what we call an automatic leave to re-open, that is a member of the Veterans Bureau will request that the claim be re-opened and we will grant him an automatic leave to re-open without requiring him to appear in person and plead his case.

Mr. CLANCY: Does that apply to survivors on War Veterans' Allowance, the same that a widow receiving a certain sum of money that no one else can re-open her case?

Mr. ANDERSON: Are you speaking now of War Veterans' Allowance?

Mr. CLANCY: Yes, that is a case I know.

Mr. ANDERSON: I am afraid I would not know about that—that is outside of our field. I don't think there is anyone here from the war veterans' allowance—

● (10.30 a.m.)

Mr. CHATTERTON: No, Mr. Chairman, my question was answered.

Mr. ORMISTON: I just want to follow up the answer that Mr. Anderson gave. What about the widows of veterans of those who have passed on. What are we doing for them now? The same thing?

Mr. ANDERSON: The same procedure will be followed, yes.

Mr. ORMISTON: The same procedure?

Mr. ANDERSON: Oh yes, quite.

Mr. CHATTERTON: I take it, then, that all these cases are being reviewed individually by the Commission?

Mr. ANDERSON: That is correct.

Mr. CHATTERTON: I understand that the Commission is somewhat behind in its schedule on regular applications, is this causing part of the delay?

Mr. ANDERSON: Yes, to some extent it is.

Mr. ORMISTON: According to your report, Dr. Richardson, evidently the conditions under which the veterans lived were much more conducive to inducing peptic ulcers than duodenal ulcers. Is there any part of this which covers the other type of ulcer?

Dr. RICHARDSON: We use the term "peptic ulcer" here to include gastric ulcer and duodenal ulcer, and other ulcers of the same pathological type, whether they are in the stomach or in the duodenum or even in the oesophagus.

Mr. CLANCY: This question may be out of order. I should have asked it earlier. What was the percentage of the amoebic dysentery and hepatitis or jaundice among the veterans?

Dr. RICHARDSON: I do not have accurate data on this. Of the survey group of 100 men, 25 of the ex-prisoners gave a history of previous jaundice or of disease in the the biliary tracts, and I should think that probably applies to the group as a whole. For amoebic dysentery we do not have accurate data. The facilities for diagnosis during captivity were inadequate. Men were sometimes treated on the assumption that they had amoebic dysentery and may have come home symptomatically cured. We could not tell, now, whether they ever had amoebic infection or not.

Mr. CLANCY: The reason I asked that question, sir, was when I left the RAF one of the things they checked on was amoebic dysentery because the 14th Army came back from Burma and they found that there was a lot of hepatitis and there had been a lot of amoebic dysentery and this was not displayed until they had a very big sick list.

The CHAIRMAN: Do you have another question, Mr. Carter?

Mr. CARTER: Yes, I do, I think for Mr. Anderson. In the case of claims being reviewed and granted by an Appeal Board, will you be bound by the Act which will only permit you to make it retroactive for 18 months or 3 years? It seems that these fellows apparently if they are eligible now, the presumption is that they should have been eligible perhaps many years ago, and the Act, I think, restricts you to the maximum of three years, making a claim effective. Is that right?

Mr. ANDERSON: Yes, that is correct, under Section 31 (2) and (3).

Mr. CARTER: Yes. Do you envisage any request for a change in that particular clause to give a greater measure of justice to these veterans and widows?

Dr. RICHARDSON: I think that in many of these cases examination would show that the gastro-intestinal symptoms were treated by the Department as if they were due to a pensionable disease, and disability pension was actually paid by the Commission under the diagnosis of avitaminosis with residual effects. For example, if a man came back from captivity with gastro-intestinal symptoms, indigestion, in short, Disability pension might have been paid for the symptoms without any special diagnosis being made. If, a number of years later, a diagnosis of duodenal ulcer was made, we would not discontinue or decrease the

rate of pension being paid for the symptoms, it would continue. And, in most cases, his treatment rights would be preserved by the Treatment Services Branch. So that I do not think there are a great many men in whom there is a serious problem of retroactivation of either pension or treatment rights.

Mr. CARTER: I was thinking of those who might have been rejected even by the Appeal Board?

Dr. RICHARDSON: Even so, in many cases, a means was then found to give them such advice and treatment as was necessary. You see if a man applies for treatment and has, at the same time, symptoms which are obviously due to avitaminosis—neurological symptoms for example—and concurrently requires treatment of his stomach or his peptic ulcer, there is no great difficulty about treating both at the same time. There is really no added expense. And it has been possible, I am sure, for many veterans to benefit by this sort of natural and normal arrangement.

Mr. CARTER: I was not so much concerned with the treatment aspect, Mr. Chairman, as the financial aspect of the pension.

The CHAIRMAN: Dr. Richardson tells me that that point, in particular, is mentioned in Recommendation 5. Maybe I could carry on, by reading all of the six recommendations and then perhaps come back to questioning after that.

Mr. HARLEY: Could I ask a question in relation to Part 3 before you go on with the report, and it is something that is not in the report and probably does not have too much bearing on it, but I was wondering if you know here that there has been an increased incidence of gastro-intestinal symptoms and of ulcer. Did you find a decrease, say, in the signs of gall bladder disease, gallstones, and so on, in your review of the file?

Dr. RICHARDSON: It is very difficult to assess the incidence of gall-bladder disease because people often go along for years with symptoms and no definite diagnosis. We are, even now, studying the feasibility of assessing the prevalence of biliary disease in these men, as we go through the files. If we do come up with an estimate there will be the difficult problem of finding a base line against which to compare the prevalence in this group. My impression is that there is a high prevalence, certainly not an abnormally low prevalence of biliary disease in the Hong Kong group.

The CHAIRMAN: Recommendation No. 4

That the Commission consider on the merits of each such claim to what extent, if any, service attributability can be conceded on a presumption of relationship to avitaminosis, when it is not possible to find that the peptic ulcer was incurred during or wholly attributable to service;

Recommendation No. 5: That awards granted on review of claims under the terms of these recommendations be subject to the provisions of Section 31, provided that no award be made effective prior to January 1, 1965.

Recommendation No. 6: That the retroactive assessment in each case be based on the disability shown to have existed or which may reasona-

bly be presumed to have existed from the date of entitlement, insofar as the disability has not already been included in the assessment of a pensionable condition.

Mr. CARTER: I would like to ask why the date of 1st January, 1965, was chosen, because the Act does permit the Commission to go back I think as far as three years, to make a pension retroactive for three years, does it not?

Dr. RICHARDSON: In considering an effective date for this special disability, there were several considerations and one is that it was desired to choose a date which could be used for all veterans alike—common date for awards made under the terms of this recommendation.

If the recommendation had been simply that Section 31 be used to the full extent, the man whose file was reviewed in February would receive preferential treatment over the one reviewed in June. Rightly or wrongly, we felt that it was better that all veterans be treated alike, whether their surname starts with A or Z and whether their file is reached early or late in the review. January 1st, 1965, appeared to be the most suitable date to make this possible with a reasonable length of retroactivation of the award.

Mr. CHATTERTON: Mr. Anderson, when is it anticipated that this review will be completed?

Mr. ANDERSON: We have not anticipated any particular date at the moment. I would hope that the bulk of it would be completed during the current year but, as was pointed out earlier under the comments here, there are some instances where this will go on indefinitely because there will be new claims arising in connection with certain aspects of this report, which will have to be dealt with as and when they arise. So that the effect of this report will continue on indefinitely.

Mr. CHATTERTON: A complete review of all these cases will have been completed possibly by the end of this year?

Mr. ANDERSON: We certainly hope to be able to do that, yes.

Mr. CHATTERTON: Well then, if the retroactive date had been the 1st of January, 1964, rather than 1965, then you would have had a more similar application to Section 31, which would be two years.

Mr. CARTER: I would like to follow up a supplementary. With respect to Dr. Richardson's answer. I cannot see how you would not be treating veterans all alike, if you chose the 1st of January, 1964, instead of the 1st of January, 1965. The only difference is the date.

Dr. RICHARDSON: I did not mention all the considerations that led to this recommendation and it might be difficult for me to recall them at the moment. I have already mentioned the fact that many of the men who have a known peptic ulcer have been receiving both treatment and disability pension for the symptoms. Because they were described they were placed on the record long before the diagnosis of peptic ulcer was made. There is, therefore, not as much significance, financial or otherwise, in a long period of retroactivation of entitlement as might at first appear.

Mr. CARTER: I think, Mr. Chairman, we are concerned about the fellow who has no pension, who has applied for a pension and up until now has been rejected. I think that is the person I am concerned about.

Mr. CHATTERTON: The argument that Dr. Richardson has advanced mainly, is that many of these had already been granted the entitlement, which seems to be an additional reason for granting to those who had not received the entitlement to be retroactive to the 1st of January, 1964.

Dr. RICHARDSON: I also try to be practical. It is a pleasure to be generous but we have the duty to look at the facts as we see them.

The excess prevalence of peptic ulcer in the Hong Kong group is not large—it is not a case of 2 to 1 or 3 to 1 compared with the normal. In fact, we cannot find a satisfactory report on the prevalence of peptic ulcer in Canadian or American men of this group. One felt, and perhaps some of my advisors felt, in our discussion of the data that I was being a trifle generous in recommending as much as I had, for entitlement for a peptic ulcer. I am sure that many physicians would feel this. The confidence with which we make a recommendation may influence us in deciding the effective date of the recommendation, but I do not think that I made myself quite clear to you on the payment of disability pension. I would like to repeat that many men whose peptic ulcer has been ruled non-pensionable have actually been receiving money, disability pension, for these very symptoms at approximately the same rate as if they held entitlement for a duodenal ulcer. This would be the story. On release from service and in 1946 and 47 the men complained repeatedly of indigestion, loss of appetite in the morning, nausea, intolerance of food, belching and so on. We assess this disability at perhaps 10 per cent and pay pension for it. Ten years later, a diagnosis of duodenal ulcer is made, and its symptoms are almost the same. Gastro-intestinal disability has not increased. We may have felt at that time that we could not grant entitlement for the duodenal ulcer, but we did not discontinue the pension, which was being paid for these symptoms under the diagnosis of avitaminosis. If we had granted entitlement for a duodenal ulcer, we would merely have transferred the assessment from avitaminosis to duodenal ulcer, and that would still be the case in 1966. It is still the case now sometimes when we grant entitlement for a duodenal ulcer. We are merely making clear, and placing beyond doubt, his right to treatment for this condition. Disability pension was paid for these very symptoms before entitlement was granted. This being the case, and on a fairly wide scale, there seemed less merit in a lengthy period of retroactive entitlement than there otherwise would have been. There is really very little financial loss to the veterans under the recommendations I have made.

● (10.45 a.m.)

Mr. CHATTERTON: Are there any cases where the symptoms were not apparent, and that subsequently maybe, it was his diagnosis of say peptic ulcer. Is that point feasible at all?

Dr. RICHARDSON: This is possible. In the case of a veteran who had no gastro-intestinal symptoms until, let us say, 1958 when he first developed symptoms, and developed a peptic ulcer, there would, in medical opinion, be extremely little chance of his peptic ulcer being related to service conditions.

Mr. ÉMARD: You are only referring to Hong Kong veterans, not the others, at this time?

Dr. RICHARDSON: That is correct, only to Hong Kong veterans.

Mr. CARTER: I quite understand what Dr. Richardson has said about veterans who are getting attention for the same symptoms but under a different diagnosis. But the people I am concerned about are the people who are getting no pension at all, and who would now be eligible for pension. Even the 10 per cent may not seem very much, financially, from the standpoint of the Pension Commission, but there are cases, of course, when the 10 per cent disability for veterans under 60 will qualify them for War Veterans' Allowance, so that this 10 per cent can be very important financially, or even 5 per cent to the veterans, particularly veterans under 60 years of age.

As far as the veterans who already have entitlement for treatment and are already getting a reasonable pensionable assessment for the same symptoms, are concerned I think that is all right, as Dr. Richardson has explained. But what about the veterans who have been rejected and get no entitlement at all, no pension at all. That is, I think, the problem that Mr. Chatterton and myself are trying to place before the Committee.

Dr. RICHARDSON: At the moment I am not aware of any Hong Kong veteran who is known to have a peptic ulcer, who is not in receipt of disability pension under some other diagnosis, or was not, at the time, a serving member of the regular Armed Forces. There may be such a person but, if so, he has escaped my notice. I do not think there is any appreciable number of persons who have had a peptic ulcer, not ruled attributable to service, and not in receipt of a disability pension under any heading. Eligibility for War Veterans' Allowance is not a problem because all these men are eligible by reason of their service overseas in World War II, and if they were in receipt of War Veterans' Allowance, when the retroactive award of pension was made for a peptic ulcer, it would not be of direct financial benefit in most cases.

The CHAIRMAN: Does this conclude the questioning on the recommendations regarding peptic ulcer? So, we will go to page 69 and I will read the recommendations concerning dental disease.

It is recommended That the Treatment Regulations of the Department be amended to authorize dental treatment for all Hong Kong veterans holding pension entitlement for avitaminosis with residual effects or a synonym of this term. (This recommendation was implemented in May 1965).

Any questions on this?

Mr. CARTER: I would like to clear up one point on what Dr. Richardson said in reply to my question on No. 5 about peptic ulcers. I understood him to say that any Hong Kong veteran who is in receipt of a disability pension, would be automatically entitled to War Veterans' Allowance.

Now, I may be wrong but my understanding is that if a veteran is under 60 years of age, he has to prove that he is unemployable and incapable of maintenance. My understanding is that the fact that he may have a 10 per cent

pension, if he is under 60, does not automatically qualify him for War Veterans' Allowance.

Dr. RICHARDSON: I should not try to answer a question about War Veterans' Allowance, but I believe I can assure you that the assessment of eligibility for War Veterans' Allowance is made by officials under the direction of the War Veterans' Allowance authority, and that the payment of a 10 per cent disability pension does not really affect their decision in any way. They assess disability and not the receipt of disability pension, in the case of a man who qualifies for consideration under the Act, by virtue of his service.

Mr. HERRIDGE: Dr. Richardson, how long did it take to review all the files? Are they completed now?

Dr. RICHARDSON: No, sir.

Mr. HERRIDGE: Oh, you are still reviewing them even on the basis of this recommendation?

Dr. RICHARDSON: Yes.

Mr. HERRIDGE: When the pension is awarded, when is it made payable from, or retroactive to?

Dr. RICHARDSON: The specific recommendations?

Mr. HERRIDGE: The specific recommendations of dental disease.

Dr. RICHARDSON: Disability pension is rarely paid for dental disease. I am not aware of any being in payment at the moment to Hong Kong veterans. This recommendation concerned the right to receive treatment at departmental expense.

Mr. HERRIDGE: And nothing further?

Dr. RICHARDSON: That is right.

The CHAIRMAN: Any more questions on this?

Page 70,

Recommendations re Arteriosclerotic or Atherosclerotic Heart Disease.

1. That the Commission take cognizance of the death rate from A.S.H.D. reported in this study and—other information relevant to the problem, insofar as it may provide a useful basis for adjudication on death claims and on lifetime claims;

2. That the Commission consider giving effect to this evidence by conceding the possibility of a partial relationship between factors related to internment in the Far East as comprehended in entitlement for avitaminosis and the appearance of clinical A.S.H.D., such relationship to be assessed in terms consistent with the mortality experience of the group and with the evidence in the individual case, including the veteran's age and other features which in expert medical opinion are relevant to the assessment of relationship;

3. That the Commission undertake to review rulings that death from A.S.H.D. was not attributable to service to determine if, consistent with the above recommendations, any action can be taken under the provisions of the Act on behalf of surviving dependants;

4. That the Commission follow a similar practice with respect to new death claims;

5. That the Commission similarly evaluate and assess the merits of such lifetime claims as may be received, the effective date of an award, if any, to be subject to the provisions of Section 31;

6. That the above recommendations and their interpretation and application be reviewed periodically in the light of such new evidence as may become available;

7. That the mortality experience of the group be reviewed not later than 1970.

Mr. ORMISTON: Doctor, in Section 2, are you saying that a veteran's age is a definite factor in assessing a disability for arteriosclerosis?

Dr. RICHARDSON: I am not referring to his age as a factor in assessing the degree of the disability present, for the purposes of paying a pension under Schedule A of the Pension Act. I am suggesting that his age is relevant to assessing the possibility or probability of his heart disease being related, in some degree, to his service in the Far East during World War II. For example, a man may have been released from service in World War II at age 26 and 40 years later have a heart attack. Forty years after the event we would feel that there was extremely little chance of there being a significant relationship to service in the Far East. This is the sense in which his age at the time his heart disease is described is significant. It is taken as a factor in assessing the probability of relationship to service.

Mr. CARTER: I would like to ask Dr. Richardson or Mr. Anderson— Perhaps they cannot answer this question yet. I have been wondering what effect these recommendations will have on the adjudication and review of other veterans who are not Hong Kong veterans, but who had pension for similar symptoms, particularly this arteriosclerotic and atherosclerotic heart disease?

Dr. RICHARDSON: If there are other veterans who have been shown to be exposed to the conditions that the Hong Kong veterans suffered, a parallel situation might be established, but we have no knowledge of such a parallel situation elsewhere in the world.

Even so, our inferences about relationship of heart disease to service in the Hong Kong group are almost contentious. We felt there is enough evidence, certainly, to make favourable recommendations but, at the moment, not all authorities agree with us that there was sufficient evidence for a favourable recommendation, even in these circumstances.

Mr. CHATTERTON: Mr. Anderson, was the recommendation adopting dental treatment the only one that required legislative changes?

Mr. ANDERSON: No, even that one did not require legislative change, it simply required the Treatment Services to accept these people for dental

treatment, that is all. You see, they have regulations not legislation. They have treatment regulations.

Mr. CHATTERTON: That is the only one requiring regulation changes.

Mr. ANDERSON: Yes.

Mr. CHATTERTON: Are there any recommendations that required changes in the Act?

Mr. ANDERSON: I beg your pardon?

Mr. CHATTERTON: Are there any of the recommendations that required changes in the legislation?

Mr. ANDERSON: Not at the moment, no.

Mr. HERRIDGE: Mr. Chairman, I have a question for Mr. Anderson. What has the Commission done with respect to Recommendations 3 and 4?

Mr. ANDERSON: Three and 4 of the recommendations with regard to peptic ulcer, Mr. Herridge? Is that the one on page 67?

Mr. HERRIDGE: No, 70.

Mr. ANDERSON: Oh, 70.

Mr. HERRIDGE: Recommendation 3, on page 70.

Mr. ANDERSON: We are reviewing them all, to start with—that is the first step. And, in some cases, we have already granted entitlement to widows whose husbands had died of this condition sometime previously.

Mr. HERRIDGE: I am very glad to hear that.

Mr. ANDERSON: That covers 3. Now on 4, whenever we get any new death claims from now on, that is deaths arising out of A.S.H.D., we will consider those claims in the light of the evidence contained in this report.

Mr. ORMISTON: Mr. Anderson, in Section 6 you are talking about periodic reviews, would you expect to review the case of a disabled veteran more frequently if he was given 80 or 100 per cent pension, than you would one of 10 or 15 per cent?

Dr. RICHARDSON: Insofar as a veteran is concerned, who is receiving a disability pension for heart disease or for any other condition, the review date is set on the basis of his own needs. We do not object to looking at a man at a six months interval, or one year, or two, or three years, depending on the forecast of what course his disability is likely to take in the future. My Recommendation No. 6, of course, did not refer to that. Was it not quite clear here? Recommendation No. 6 was referring to the policy of assuming or inferring that A.S.H.D. is more common in the Hong Kong group than in other veterans, because of factors peculiar to service in the Far East. This was an interim inference based on the evidence available to us. We felt that in five or ten years, we may have more conclusive evidence in support of this inference. We might, in fact, have evidence showing that the inference was unjustified, and that the excessive

death rate that we observed was due to chance or to factors which have disappeared. We cannot tell. We simply feel that the policy was not based on a sufficiently solid foundation, and that it should be not followed in perpetuity without re-examination of its merits.

Mr. ORMISTON: Yes, well, then, you mention in the light of this new evidence, this may become available. I was only suggesting the possibility in the case of a high disability rate, that the review may be done a little more frequently than one who did not rate such high disability pension, regardless of whether there was new evidence or not.

Dr. RICHARDSON: Well, now, you are speaking of the examination of an individual pensioner who has been granted a pension entitlement or something?

Mr. ORMISTON: Yes, yes.

Dr. RICHARDSON: I do not know how long it is since a Hong Kong veteran was refused pension examination at his own request. It is a very long time. But when we set review dates, we must realize that many pensioners do not wish to be called in every year or even every two years, that we try to suit their convenience to the limit.

Mr. ANDERSON: Always, of course, leaving it open to them to request an examination at any time they want one.

Mr. ÉMARD: I have been told that in the United States, anyone who has served in the Armed Services is entitled to free medical treatment for the rest of his life.

Mr. ANDERSON: To Hong Kong veterans? People who have served in the Far East?

Mr. ÉMARD: No, no, to all veterans, in general.

Mr. ANDERSON: No, as a general statement that would not be correct. I am not entirely familiar with the treatment provisions for ex-servicemen in the United States, but I do know that they do not all receive completely free treatment for the rest of their lives.

The CHAIRMAN: Gentleman, we went over our time limit which is eleven o'clock. There is another Committee coming into this room. We are not quite finished with this part of the questioning and there is also another set of recommendations on "avitaminosis with residual effects". I guess we will be forced to stop this meeting at this time, I think.

Mr. CARTER: Could not we just take a minute and clear up this page 71 and then we have a new group?

● (11.00 a.m.)

The CHAIRMAN: I am agreeable to this, depending on the number of questions that members would wish to ask. I am willing to accept one question or two at the most but not very much more.

Mr. TOLMIE: Mr. Chairman, that last recommendation "that the mortality experience of the group be reviewed not later than 1970". What does that actually mean "that mortality experience be reviewed" and why the date, 1970?

Dr. RICHARDSON: The number of deaths per thousand or per hundred-thousand population is normally documented in 5-year age groups and at 5-year intervals. 1970 appeared to be the first date on which this type of review could be carried out for a full and additional 5-year period.

Mr. CARTER: You are referring to the whole body of Hong Kong veterans?

Dr. RICHARDSON: The whole body of Hong Kong veterans.

Mr. CARTER: Not just a sample.

Dr. RICHARDSON: That is right. The whole body of Hong Kong veterans.

The CHAIRMAN: I think this should conclude our meeting, but I would like to know from the members if they feel that we should have our witnesses back here at our next meeting which will be held next Tuesday, at the same time, 9.30 a.m.

Mr. ORMISTON: If it is convenient to the witnesses. We would not want to abuse their privilege, but would they be available next Tuesday?

The CHAIRMAN: I would like to express my thanks to Dr. Richardson and Mr. Anderson, and all the other guests, and look forward to their coming back next week. I would appreciate it if I could have a motion for adjournment.

Moved by Mr. Ormiston, seconded by Dr. Harley, that this Committee adjourn.

Motion agreed to.

Thank you very much.

CURRENT ISSUE
KEPT IN STACKS

HOUSE OF COMMONS
First Session—Twenty-seventh Parliament
1966

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, MAY 3, 1966
THURSDAY, MAY 5, 1966

Respecting the
REPORT ON HONG KONG VETERANS (1964-65)

WITNESSES:

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman
and Dr. H. J. Richardson, Assistant to Chief Medical Adviser.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmings*),

Mr. Matheson,
Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas (*Maison-
neuve-Rosemont*),
Mr. Tolmie,
Mr. Webb—(24).

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS

TUESDAY, May 3, 1966.

Ordered,—That the Standing Committee on Veterans Affairs be authorized to sit while the House is sitting, such authority to have effect for Tuesday, May 17, 1966, only.

TUESDAY, May 3, 1966.

Ordered,—That, saving always the powers of the Committee of Supply in relation to the voting of public moneys, the items listed in the Main Estimates for 1966-67 relating to the Department of Veterans Affairs entered for consideration this day be withdrawn from the Committee of Supply and referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

REPORTS TO THE HOUSE

TUESDAY, May 3, 1966.

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Your Committee recommends that it be authorized to sit while the House is sitting, such authority to have effect for Tuesday, May 17, 1966, only.

Respectfully submitted,

GÉRALD LANIEL,
Chairman.

FRIDAY, May 6, 1966.

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Your Committee recommends:

1. That it be granted leave to adjourn from place to place within Canada and abroad during the period from June 26 to July 17, 1966, and that the Clerk accompany the said Committee;

2. That it be granted leave to sit while the House is sitting, during this period.

Respectfully submitted,

GÉRALD LANIEL,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, May 3, 1966.

(4)

The Standing Committee on Veterans Affairs met this day at 9.40 a.m. The Chairman, Mr. Gérald Laniel presided.

Members present: Messrs. Carter, Chatterton, Clancy, Émard, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, Madill, MacRae, Martin (*Timmins*), Ormiston, Rock, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (18).

Also present: Mr. Horner (*The Battlefords*).

In attendance: From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman; Dr. H. J. Richardson, Assistant to the Chief Medical Adviser; Mr. A. L. Fortey, Secretary.

The Chairman reported on the participation of Committee members at the opening meeting of the World Veterans Federation in Toronto on Sunday, May 1, 1966.

The Chairman tabled a letter from the Department of Veterans Affairs, outlining the itinerary of the visit of the World Veterans Federation Council members on May 4, 1966 to be held in Ottawa and expressed the wish that committee members attend these ceremonies.

The Clerk of the Committee read the Second Report of the *Subcommittee on Agenda and Procedure* as follows:

YOUR SUBCOMMITTEE RECOMMENDS

1. That we invite representatives of the Hong Kong Veterans Association of Canada to appear before the Committee on May 17th next, for the purpose of presenting a brief and to answer questions.

2. That permission be sought from the House to sit while the House is sitting on Tuesday, May 17th, 1966 to accommodate witnesses from Winnipeg.

3. That the Draft Itinerary prepared in view of our proposed trip to Europe be adopted in principle.

4. That the Committee seek permission from the House to sit in the United Kingdom and Continental Europe from June 26 to July 17, 1966, for the following purposes:

(a) To familiarize itself with the work of the Department of Veterans Affairs overseas;

- (b) To obtain on the spot briefings on regulations and allowances for war disabilities in use by the Governments of France and of the United Kingdom;
- (c) To visit the regional offices of the Commonwealth War Graves Commission and to be briefed on the work of the Commission;
- (d) To visit some of the Canadian Battlefield Memorials and Cemeteries;
- (e) To attend the Canadian, Commonwealth and Allied ceremonies marking the 50th Anniversary of the Battle of the Somme.

5. That the Committee seek permission to sit while the House is sitting from June 26 to July 17, 1966, inclusive.

6. That the actual living and travelling expenses of the Committee members and staff in attendance during that period be defrayed out of moneys to be provided by the treasury.

On motion of Mr. Madill, seconded by Mr. Herridge,

Resolved: That the Second Report of the Subcommittee be adopted as read.

The Chairman informed the Committee that the Hong Kong Veterans Association of Canada wishes to present a brief to the Committee on May 17, 1966. The Committee instructed the Clerk to reply to the National Secretary of the Hong Kong Veterans Association advising them that May 17, 1966 was a satisfactory date for this presentation.

After further examination of the Hong Kong Report and questioning of the witnesses, the Chairman expressed the Committee's gratitude to Mr. Anderson, Dr. Richardson and Mr. Fortey for their co-operation in appearing before the Committee and for their work in preparing the Hong Kong Report.

The Chairman informed the Committee of a possible *in camera* meeting during the week of May 2, 1966 to discuss committee business and to schedule future meetings.

At 10.50 o'clock a.m., on motion of Mr. Ormiston, seconded by Mr. Harley, the Committee adjourned to the call of the Chair.

R. V. Virr,
Acting Clerk of the Committee.

THURSDAY, May 5, 1966.
(5)

The Standing Committee on Veterans Affairs met this day at 11:35 o'clock a.m., *IN CAMERA*. The Chairman, Mr. Laniel presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Émard, Fane, Habel, Herridge, Kennedy, Laniel, Latulippe, Legault, MacRae, Matheson, Ormiston, Rock, Tolmie (17).

In attendance: Mr. G. S. Way, Chief of Information and Public Relations, Department of Veterans Affairs.

The Committee discussed Agenda and Procedure.

The Chairman read the Order of Reference introducing the Department's Estimates. The Main Item (*General Administration*) was called.

On motion of Mr. Herridge, seconded by Mr. Ormiston,

Resolved:—That the Main Item of the Estimates stand.

The Committee considered a Draft Interim Report to the House.

On motion of Mr. MacRae, seconded by Mr. Fane,

Resolved:—That the Chairman present an Interim Report to the House.

(See Report to the House)

At 12:55 p.m., on motion of Mr. Carter, seconded by Mr. Rock, the Committee adjourned to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, May 3, 1966.

● (9:40 a.m.)

The CHAIRMAN: Gentlemen, we now have a quorum.

I would wish to make a report on the council meeting of the World Veterans' Federation that was held last Sunday in Toronto in which six members of our committee participated namely, Messrs. Herridge, Latulippe, Clancy, Tolmie, Matheson and myself.

We did not have very much opportunity to speak to these people of the World Veterans' Federation because there was no social event except the official opening. The Prime Minister was supposed to address the group but because of illness he was finally replaced by the Minister of Veterans Affairs.

This week the group is visiting Ottawa and if you will permit me I should like to read a letter I asked for and received this morning from Mr. Gordon Way, the chief of Information Services. It is addressed to Mr. Laniel, the Chairman of the Standing Committee on Veterans Affairs, and it reads as follows:

Dear Mr. Laniel:

As I agreed during our conversation last evening, I am providing a brief resume of the activities being planned for the World Veterans Federation Council members, when they visit Ottawa next Wednesday, May 4.

It is expected that they will arrive at No. 2 Hangar, RCAF Uplands, at 2.55 p.m.; and that the ground transport two or three limousines and two OTC "Scenic" buses—will move right up to the aircraft.

Present plans are to bring the convoy to the 1914-1918 National War Memorial via the Royal Route, arriving on schedule at 3.45 p.m. The passengers will debus in front of the Memorial and, at the conclusion of the wreath-laying ceremony, will return to the same position to pick up their passengers for the journey to Government House.

The Minister of Veterans Affairs and yourself will greet the WVF President, Mr. van Lanschot; the Secretary-General, Mr. Norman Acton, and other Executive Council Members before forming up for the actual ceremony in the following order:—

There is an order of the people that will be in the front rows to proceed with the wreath laying ceremony. And behind that group you will have the members of the War Veterans Council and also the members of Parliament, the members of the Committee.

The sounding of the "Reveille" will conclude the wreath-laying ceremony, and there will be a few minutes before the buses will be in position. This will provide opportunities for Members of Parliament to

meet some of the WVF visitors, but it is hoped that there will be a minimum of delay in getting the convoy moving towards Government House.

Although the return from Government House will take place during the "rush hour", we hope that the party will arrive at the West Door of the West Block by 5.15 p.m. It would be nice if some Members of the Standing Committee could be in Room 209, where the reception will be held to meet the WVF visitors after they have been received by the Minister of Veterans Affairs.

Dinner will be announced at 6.15 p.m. and we hope to start serving in Room 200 by 6.30 p.m.

The buses will be at the West Door from 9.00 p.m. and we hope to have them en route to RCAF Uplands by 9.30 p.m. so that they can be on their way to Toronto by 10.00 p.m. or soon after.

I hope this information will be helpful to you in "briefing" the Committee about their participation in the visit to Ottawa of the World Veterans Federation Council Members on the afternoon of May 4.

Gentlemen, that group of World Veterans Federation took the initiative and requested a visit to the capital. These people represent 49 different countries and I think it would be our duty, as members of the Standing Committee on Veterans Affairs, to be there in the largest number possible to meet them at the Cenotaph and to greet them when they come to room 209 at 5.25 p.m. I know there is a ball that night at Government House but if you consider the time of the departure of these people the two can be joined together and they will not conflict with one another. So, I do not think there is any need for me, as there was for other organizations, to take names or anything, but I hope that you will keep that schedule in mind and be at the Cenotaph at about 3.30 or 3.40 to receive these people when they get there for the ceremony of wreath laying. We will not be following them to Government House. They were supposed to have a tea there but this has been cancelled. They will be greeted by the Governor General then after that they will come back here. We can walk back to Parliament and wait for them.

Mr. CHATTERTON: Could you supply us with a copy of the schedule, Mr. Laniel?

Mr. ORMISTON: That will be in the record next week some time.

The CHAIRMAN: No, but this is tomorrow.

Mr. HERRIDGE: Could we have a copy of the program so that we know the times?

The CHAIRMAN: Yes; what I will do, if you agree, is I will send a messenger to get 20 photocopies of this and I will distribute them. Is that satisfactory?

Mr. HERRIDGE: Excellent.

The CHAIRMAN: Could we get 20 copies so we can pass them around to other members. Are there any other questions on this event?

There is one point I want to bring to the attention of the Committee, and I forgot to bring it to the attention of the steering committee last night. While I

was in Toronto I was presented to Dr. Morrison who is in charge of Sunnybrook Hospital. I was presented to him by the deputy minister, and the deputy minister asked me if it would be possible for me to stay overnight and visit Sunnybrook. I suggested to the deputy minister and to Dr. Morrison that it might be worth while, and very much better, if at a later date the Committee itself could go maybe to Toronto—take a morning flight and come back in the evening—and visit Sunnybrook. Dr. Morrison thinks that it would be of much interest to the Committee if we could be there some time this year.

Mr. MACRAE: This was done in 1959, I think.

The CHAIRMAN: Yes, about five years ago.

Mr. MACRAE: That is right and it was very interesting.

The CHAIRMAN: There has been a change in administration over there. They have problems of the chronic cases and all that, and we could get information that would be useful to the members of the Committee. Anyway, at a later date I will have an opportunity to discuss it either with the Minister or with the deputy minister and we see time available we can look forward to organizing such a visit, if the Committee has no objection.

The next item on the agenda is presentation of the second report of the subcommittee on Agenda and Procedure. I would ask the clerk to read the report.

(See Minutes of Proceedings)

Mr. CARTER: Mr. Chairman, to go back to the first part, would you repeat the dates for the Hong Kong veterans visit.

The CLERK: "That we invite representatives of the Hong Kong veterans Association of Canada to appear before the committee on May 17 next", which is a Tuesday.

Mr. CARTER: All right, thank you.

The CHAIRMAN: Now, if you recall, at our last meeting we had received a letter from the National President and National Secretary of the Hong Kong Veterans' Association telling us that they could not appear before the committee at this time, and that they had already presented a brief to the Woods Commission, but Mr. Gerald Mann attended at that last meeting and he saw me when I left this room. He had the authority to make arrangements in the name of the Hong Kong Veterans as to the selection of a date and these people said there were two reasons why they were not able to come at this time for the purpose of presenting a brief. The first one was that they did not have any money, and it was not always easy for them to get organized and to come to Ottawa, and, secondly, they did not have enough time to prepare a second brief beside the one they had prepared for the Woods Commission. After discussing this with him we came to an agreement that May 17 would give them all the time that was needed and on that condition they were very happy to accept our invitation. So I did receive a letter dated April 27 from Mr. Delbridge and Mr. Lytle, National President and National Secretary who confirmed that they will be here attending our meeting of May 17, at 9.30 p.m. If the report is accepted we will ask the clerk of the Committee to write back and confirm the date and the hour.

Is there any other question on the report of the subcommittee?

May I have a motion for adoption.

Mr. MADILL: I so move.

Mr. HERRIDGE: I second the motion.

The CHAIRMAN: Any questions on this report.

Mr. MACRAE: Will the members of the eastern branch of the Hong Kong Veterans Association be coming; that is, Lionel Hurd and the others? Have they indicated they will be coming?

The CHAIRMAN: No, in the beginning the Committee did communicate through Mr. Hurd and it is Mr. Hurd that referred the whole matter to the national executive.

Mr. MACRAE: So they are not coming up, it would appear.

The CHAIRMAN: No. Well, it might be possible perhaps for Mr. Hurd to be here. Are you of the opinion that in addition to sending a reply to the National President and National Secretary we should send a copy to Mr. Hurd?

Mr. MACRAE: I would agree, yes.

The CHAIRMAN: Is that agreed?

Agreed.

The CHAIRMAN: Is the second report adopted as read.

Motion agreed to.

● (9:55 a.m.)

The CHAIRMAN: Thank you. Now, we will proceed with the questioning of our witnesses. If you recall, at our last meeting we had covered the different recommendations on pages 66, 67, 68, 69, 70 and 71. We have Dr. Richardson and Mr. Henderson back with us this morning. Before we pass on to the recommendation on page 72 for Avitaminosis with Residual Effects I wonder if there are any questions that might come to our mind about the first four sections which we covered last week. If not, we will carry on with the reading of the recommendation on page 72.

Mr. Émard, have you found it in French there?

Mr. ÉMARD: Yes.

The CHAIRMAN: I will read the recommendations re Avitaminosis with Residual Effects.

1. That the Commission cause a detailed review to be made forthwith of the assessment of this group of disabilities, based on the evidence in the individual case and on the information obtained in this study and elsewhere.

In making this recommendation it is suggested that while there may be some pensioners whose present rate of pension is commensurate with the disability, estimated by any reasonable standards, there are a

great many to whom increases of the order of 10% to 20% will be payable, and some for whom even greater increases may need to be considered.

2. That having regard to the two year interval between the dates on which this study was requested and authorized, and the date of this report, such increases as may result from this general review be made effective from January 1, 1964, while increases resulting from new evidence obtained on examination of the individual pensioner will be made in accordance with the usual practice.

3. That the Commission undertake to review, having regard to the provisions of Section 36-3 and other relevant sections of the Act, cases in which a retroactive increase in the rate of pension would have been payable, but for the pensioner's death, to pensions who have died since the effective date of such increase.

Are there any questions on these recommendations?

Mr. MACRAE: There is something, Mr. Chairman, on which I am not clear. It says: "That the Commission cause a detailed review to be made forthwith of the assessment of this group of disabilities"—that is, avitaminosis with residual effects; but are you not making a complete review of all the Hong Kong people? That is my understanding. Am I wrong?

Dr. RICHARDSON: We are sir. This is the paragraph under which a review is recommended with respect to Avitaminosis as such. But we are also reviewing all other matters falling within the terms of this report and all other matters on which we think we can take useful action.

Mr. HERRIDGE: You are just directing particular attention to this one aspect of it?

Dr. RICHARDSON: That is right, sir.

Mr. MACRAE: That is because Avitaminosis is the coverall diagnosis, so to speak? On page 66 it says: "That the Commission and Treatment Services continue the current policy of accepting under the general heading 'avitaminosis' the psychiatric disabilities." You include them under the avitaminosis too?

Dr. RICHARDSON: We do, sir, on the basis of expert medical opinion in each case.

Mr. MACRAE: This is perhaps more of an opinion that a question, but I would like to put it on the record. It seems to me that one of the weaknesses in our treatment of war veterans is in the whole field of psychiatry, and there is such an obvious reason for this. It is hard to determine and to assess the degree of psychiatric disability and perhaps there would be many who would plead that and these would not be genuine cases. But it is your policy to take psychiatric disabilities and casualties under this?

Dr. RICHARDSON: That is right.

The CHAIRMAN: Any more questions?

Mr. HERRIDGE: I am just going to refer to paragraph 2. I just want to say that personally I am very pleased to see this recommendation, that any increases be made effective from January 1, 1964. I think that is a very fair approach to the situation.

The CHAIRMAN: Gentlemen, when this report was first prepared there was a section that had not been completed and I did not pay attention to this at our last meeting; but, after the meeting I again looked at the report for further points of interest and I found at page 82 a report on Disabilities of the Cervical and Lumbar Spine. If you do not mind we will now turn to the recommendation on these disabilities. Before I read the two recommendations on page 92, and if the committee agrees, I think it might be useful for us to read the last paragraph on page 91.

Is this agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN:

In summary, while there is no completely satisfactory explanation of the observed differences, there is an apparent trend towards an excess prevalence of neck and back trouble in the ex-prisoners. On the evidence available it is impossible to determine to what extent service-related factors account for this trend. While this study does not establish that there is a statistically significant difference, it does provide a basis for interim action by the commission in adjudicating claims, and indicates the desirability of further study in the future.

Then I continue with the recommendations on page 92.

1. That consideration be given to further study of disabilities of the neck and back.

2. That as an interim measure the Commission take note of the observations made in this study and also of such other evidence as may become available, in the adjudication of any given claim on its individual merits under the Commission's statutory papers.

Mr. HERRIDGE: How do you explain the tendency for an increase in this disability among prisoners of war? Did the experiences they went through contribute to this particularly?

Dr. RICHARDSON: I cannot say with complete assurance exactly what has caused the difference. On pages 90 and 91 I suggested a number of possible explanations and I will review them briefly if the committee wishes. The first possible explanation is that our sample group may have been too small to be a fair representation of the experiences of the entire group of Hong Kong veterans. The second is that the ex-prisoners may recall their symptoms better than their brothers because they were accustomed to coming to departmental clinics.

(Translation)

Mr. ÉMARD: Mr. Chairman, do you have interpretation? It's the second time we can't hear it here.

The CHAIRMAN: Mr. Levesque, is the interpretation system functioning?

Mr. ÉMARD: I have been listening to it since this morning, and I heard nothing.

(English)

The CHAIRMAN: That takes care of that.

Mr. HERRIDGE: Mr. Chairman, could we proceed in English in the meantime. Can you understand English, sir?

Mr. THOMAS: It is bad enough trying to explain technical terms in French and, to use English, would it make it that much more difficult.

The CHAIRMAN: I am told by the clerk that due to circumstances and lack of personnel in many committees sitting this morning the translation that we are receiving is only from French to English. We will try to remedy this for future meetings. Mr. Herridge are you through questioning?

Mr. HERRIDGE: The doctor was just replying at the time of the interruption.

Dr. RICHARDSON: I am at point 2 on page 90 of the English version of this report, that the ex-prisoners may recall their symptoms more completely than do their brothers partly because of their frequent attendance at departmental clinics where they are accustomed to reciting their medical complaints and histories. A third possible explanation is that the Hong Kong veterans may be more aware of discomfort or pain than other members of the population. Whether this would be due to their physical disease, the nature of their physical disease or to the emotional experience they suffered as prisoners of war which has made ill health a more significant part of their lives and made them more health conscious in general, I cannot say.

● (10:10 a.m.)

The fourth point I suggest as a possible explanation is that repeated injury during service, including the fact that weight bearing and exertion when they were suffering severe malnutrition may be responsible. We know that life in the Far East is very different from that in Canada: that disciplinary measures are more likely to be physical than they are here and there was a good deal of injury in the way of blows to the head, neck, back and legs. Perhaps not abnormal by oriental standards but something which we are not accustomed to. It is possible that these repeated injuries are responsible for some of these complaints in the neck and back. In fact, I think it is very likely that this is the case. We have seen many veterans whose symptoms date from a known injury during captivity. A chunk of rock falling on their back when they were working in the mines or a blow on the head.

The fifth point is that since leaving the service our Hong Kong veterans may have suffered more accidental injuries than their brothers and they may not be able to recall this. I mentioned that there was an American study of ex-prisoners from the Far East who suffered more accidental injuries than ex-prisoners from the European theater or veterans who had not been prisoners of war at all. The term "accident prone" might be applied here.

The sixth point is that due to disease of the central nervous system, meaning especially the spinal cord and the nerves running from it, there may have been some atrophy of muscles in the back and weakening of soft tissues which cause pain in the neck and the back not from bony disease but from soft tissue disease or damage. This is very hard to identify on physical examination. If a man has a pain in the neck and has X-ray evidence of some degenerative disease, it would be very common practice to attribute his pain to the bony changes which we can see by X-ray even though we know that someone else might have a similar X-ray appearance of degenerative changes in the bone and no pain. Perhaps in some of these cases the pain is really due to soft tissue injury or disease and not due to the arthritic changes or the bony degenerative changes which we see on X-ray. This would be difficult to determine.

The seventh point is that due to their poor health and especially trouble with their feet, the Hong Kong veterans may not have had the same amount of physical activity that would maintain their muscles and joints in good healthy condition, as compared with their brothers. The differences between the ex-prisoners and their brothers may be due to the sum of a number of different causes, perhaps including causes which we have not thought of. I cannot say that we have a satisfactory explanation. I can say that we can see a number of possible explanations.

Mr. HARLEY: It is not uncommon in the normal population to have a person come in and routinely get an X-ray of his back and find that somewhere in his past although he does not record the incident that he has had an old fracture of his back which is seen by the X-ray. I do not see any mention of that in the report and I wondered if there was any increased surveillance of old fractures, say of the spine?

Dr. RICHARDSON: I believe there is but we did not document this fully. In planning this survey there was a question of how many X-ray examinations were carried out on this group of people, some of them symptom free, and we might have made a more satisfactory comparison if we had X-rayed the entire spine instead of merely the neck and the lumbar region, and had an impression of a larger number of fractures. Even so, in a series of 100 it is unlikely that the difference would be statistically significant, and we felt it was not worth the time and trouble and the radiation hazard involved.

Mr. ÉMARD: I am kind of surprised to see that there is no mention of mental trouble or other psychological disorders among what you say here. Were these prisoners not affected mentally by all the time they were in captivity?

Dr. RICHARDSON: The data with regard to psychological and psychiatric difficulty can be found on pages 28, 29 and 30 in the English version. I am sorry I do not have my French copy here.

To answer your question of the extent to which it is wise and proper to spread to the public recent details of this form of trouble, in my judgment our hearts should be sufficient for our purposes only and should not go further than that. That is why the section on psychiatric disabilities is relatively brief. In addition, the data are not easily classified. I think that perhaps some of them dealt with later in the year by the consultant who carried out the directive as part of the study.

Mr. ÉMARD: Could you give us a general idea of the number of prisoners who were affected mentally not physically. This may be a little difficult but at least where the mental cause would be the main cause for sickness. I am sorry, the terms I use are probably not proper. I hope you understand what I am trying to say.

Dr. RICHARDSON: Yes, I do. Again, this is something that has been discussed with my advisers before the report was written. I question whether, in the best interests of the veterans themselves, I should try to name a figure in this circumstance in this situation, Mr. Chairman, subject to your advice.

Mr. HERRIDGE: I think that is a very humane and wise decision in all the circumstances.

Mr. ORMISTON: I was just wondering if in the course of those examinations and X-rays you very often uncover deterioration in a patient of which he is not aware and of which he has not complained before?

Dr. RICHARDSON: Yes, we do, in the case of X-ray examination of the spine, but this also occurs in the general population of Canada. A great many of us would now have X-ray evidence of degenerative changes, which are causing no symptoms whatsoever. The relation between the X-ray evidence of degenerative changes and a patient's symptoms is not close and constant. This is a rather confused and involved subject and I would rather not go much further than this.

Mr. HERRIDGE: You are referring to a wider area of population?

Dr. RICHARDSON: Yes.

Mr. CARTER: I would like to ask a supplementary of Dr. Richardson. Do we have very comprehensive statistics on this sort of thing with respect to the general population?

Dr. RICHARDSON: I do not remember offhand any Canadian study of a survey of men in middle life. I do recall seeing within the last few years, a report in a British journal of a study of coal miners working in different parts of the project, some doing heavy physical labor and others doing much lighter labour and showing quite a high prevalence of degenerative osteoarthritis and dystrophies throughout the entire adult life; rising continuously throughout the adult life.

The CHAIRMAN: Are there any other questions?

Mr. MARTIN (*Timmins*): Related to their occupations?

Dr. RICHARDSON: Only partly in relation to their occupation. Degenerative changes of the spine are going on in all of us.

Mr. CARTER: We do not have any Canadian statistics of any significance, I gather?

Dr. RICHARDSON: I cannot say there are none. I can only say they have not come to my attention. I believe there would almost certainly be variation from one part of the country to another, from one occupational group to another, and

this was one of the reasons for choosing the brothers of the Hong Kong veterans as the most accurate control, the same origin on the average, the same type of employment.

Mr. ORMISTON: Dr. Richardson, I do not want to ask this in an unkind way, but you will appreciate it when I do ask the question. Did you find much hypochondria?

Dr. RICHARDSON: I cannot give you a percentage.

Mr. ORMISTON: It did exist though, I presume?

Dr. RICHARDSON: Yes, there is some and it is quite true.

Mr. HARLEY: Hypochondria exists in the normal population.

Mr. ORMISTON: I realize that.

The CHAIRMAN: Any other questions?

Gentlemen, this concludes our study of the different recommendations on the report. Looking through the report again, I was trying to find some points of interest and I came to the conclusion that it might be very useful to the Committee if we would read through some of the comments on the pension status which are found on pages 61, 62, 63, 64 and 65. After reading and questioning on the recommendation, this will bring us back to the comments that are made within the report on the general question of pension and also comments on some of the requests that have been made by the Hong Kong veterans themselves. I think it will open the way to our meeting two weeks from now with the Hong Kong veterans which will permit us to ask specific questions, either of Dr. Richardson or Mr. Anderson. If the committee agrees, I will go through these pages as fast as possible. If there are any questions, would you please stop me. In French it is from pages 65 to 70, inclusive.

Is this agreed?

Agreed.

On page 61, I omit the tables and the different comparisons, and we find:

Repeated applications for higher rates of disability pension under the diagnosis avitaminosis or an alternative omnibus diagnosis have been made by the Hong Kong Veterans' Association and by individual veterans or by others on their behalf. There have been requests along the following lines:

1. A minimum pension of 50 per cent for all Hong Kong veterans.
2. Progressive increases in assessment, for example, at the rate of 5 per cent per annum.
3. A general increase in rates, other than as above.

Mr. CARTER: Could I ask a question on that? You say a minimum pension of 50 per cent for all Hong Kong veterans; not Hong Kong prisoners?

The CHAIRMAN: Well, this is what is written in the report. I think if you let me read a little further you will see the conclusion the Commission has reached as far as the recommendations are concerned, and you can ask the question again.

Mr. ORMISTON: We may find out that Dr. Richardson's report does not endorse either one of those suggestions, so it might be open for discussion.

The CHAIRMAN: Well, actually, I can read what they have to say on these three recommendations and then we can have questions.

I will carry on if you have no objections.

The request for a 50 per cent minimum rate is believed to be based in part on a desire to protect the surviving dependants, whatever the cause of the pensioner's death, as provided by Section 36(3) of the Pension Act. The request for progressive increases with advancing age would be more impressive if there were evidence of widespread or almost universal deterioration in the health of these veterans with the passing years. There is no evidence that this is the case, although there is evidence that as in any aging population there is an increasing number with serious disability.

With almost 5 per cent of these veterans denying that they have any residual ill effects of their captivity, granting either of these requests would be inconsistent with the provisions of the Pension Act and with the benefits granted other veterans.

We could stop there maybe and receive your questions.

● (10:25 a.m.)

Mr. ORMISTON: I think what you have just read, Mr. Chairman, answers the suggestion that I put forward earlier that Dr. Richardson's report did not endorse the request laid down in Sections 1, 2, and 3. It might be inconsistent with the sections of the Pension Act if you had endorsed wholeheartedly or 100 per cent the recommendations which are placed before you and I think certainly you are taking the right attitude.

Mr. CARTER: May I ask Dr. Richardson if any consideration was given to granting Hong Kong prisoners pensions, or applicants for pensioners, a small bonus of 5 or 10 per cent on the basis that after such a long time it would be almost impossible to diagnose or to assess properly just what disability they may have had when they first applied?

Dr. RICHARDSON: Consideration has been given this. Unofficially it was suggested that we use what might be called the Hong Kong factor in arriving at an assessment of the entire disability present. We have approached the review of individual files with the intention of being as thorough and meticulous as we can in determining the actual disability present, and disability is defined in the Pension Act and described in the table of disabilities. And in doing so we do not feel that it is necessary to incorporate a Hong Kong factor in our assessment scale. We feel that we can make a reasonably accurate assessment, as accurate as in some other fields of medicine, of the entire disability present resulting from certain stress under the diagnosis of avitaminosis.

Mr. HERRIDGE: You have approached this question with due consideration of all these factors?

Dr. RICHARDSON: We have.

The CHAIRMAN: I continue:

The more general requests for increased rates of pension, based on the nature and effects of the disability resulting from malnutrition and other stresses must be considered in relation to the assessment of other disabilities. This is a difficult and challenging problem. If disability were to be assessed only in relation to employability in the unskilled labor market, which has been named in the Table of Disabilities since 1921, as the measure, it might be possible by sociological surveys to assess the relative importance of, for example, the loss of an eye and the fusion of a joint. This has not been attempted in Canada, and would not be conclusive.

The Pension Act defines disability as the loss or lessening of the power to will and to do any normal mental or physical act. The Table of Disabilities sets out assessments for conditions which do not have any demonstrable effect on earning power or choice of occupation. As a further illustration, there is one class of pensioners, about 100 in number, who automatically receive a minimum award of \$5,508 per annum under the Pension Act. Of these over one third are regularly and gainfully employed, others partially employed and still others admittedly fit for employment but disinclined to accept it. The rate for 100 per cent disability in Schedule "A" of the Act is \$2,400 per annum for a single man. Very clearly while loss of earning power and restrictions in the labour market are important elements in the assessment of disability they are not the only ones. Nevertheless, the data indicating within what limits earning power and standard of living have been affected by disability, and the data on social relationships and activities do help to round out a picture of disability which cannot be fully described in medical terms alone.

Are there any questions?

Mr. ÉMARD: Could I ask Mr. Anderson what he thinks of the—

The CHAIRMAN: You can ask your question in French; we get translation from French to English.

(Translation)

Mr. ÉMARD: I would like to ask Mr. Anderson what he thinks about Page 62, the formula used to evaluate the pension, "Employability in the unskilled labour market" category. I would like to point out that in 1921, all we had was unskilled labour, we had no semi-skilled labour and no thought was given to base this limit on these trades, so I think that the table that has been used should be revised. Does Mr. Anderson think that we should still base our calculations on unskilled labour, whether we should take that as a basis? Actually there is very little unskilled labour nowadays in industry in general. There are very few, there are cleaners, that is about all. But in 1921, there were very few workers who were semi-skilled. Would it now be possible to review this scale today to establish earnings based on semi-skilled rates?

(English)

The CHAIRMAN: Before Mr. Anderson replies, I think if we go in to that field we will open the discussion quite a bit. This will come before us when we

have the Woods Report and we know, at least I think I know, that the Department is studying that angle of the question and it is not easy to find a solution. If Mr. Anderson wants to add some very short comments on it, that would be all right, but I would not want to get too many more questions on the basis that is used and has actually been used for many years.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Yes, Mr. Chairman; you are quite right. This whole question is under very serious study at the moment and owing to the fact that it is a matter which the Minister has under consideration it is not, perhaps, not completely proper for me to comment on it. That is about as far as I would be prepared to go at this stage to tell you that it certainly is receiving a good deal of very serious consideration.

Mr. HERRIDGE: I think that is correct, Mr. Chairman. This could be the cause of an extensive study by the Committee later.

The CHAIRMAN: Thank you, Mr. Herridge. I think that this concerns the whole problem of veteran's pension and if you recall the address that the Minister made to the Canadian Legion, he was tackling the subject of the basis for basic pension rates and also the subject of the possibility of adding an automatic increase. He was trying to establish a basis and I know Mr. Anderson said he was giving intense thought and study on this matter at this time.

[Translation]

Mr. ÉMARD: Will we have an opportunity later on, in this Committee, to discuss the increase of veterans' pension?

[English]

The CHAIRMAN: When we deal with the estimates we have all the leeway needed to bring up these questions if we wish. We will definitely have the opportunity to discuss this question deeply when we have the Woods report before us. That might take a few months though.

[Translation]

Mr. ÉMARD: I appeared before the Wood Commission and I submitted a report. I was told that it was not up to the Commission to discuss pensions, it was not a subject that they could discuss, that is the increase of veterans' pension. Am I wrong or did I not understand properly?

[English]

The CHAIRMAN: It does not mean it will prevent us from discussing the matter in the committee. Besides, as I said, we will have the opportunity to discuss pension rates and everything about pensions when we have the estimates before us, which will be this week, I think.

Mr. Tolmie, did you have anything else?

Mr. TOLMIE: Yes. There is a statement here which says there is one class of pensioners, about 100 in number, who automatically receive a minimum award of \$5,508 per annum. Now of these, over one-third are regularly and gainfully employed. My question is: What type of disability would warrant a pension of that magnitude if they are able to work and are gainfully employed. You mention later on something about other important elements.

Dr. RICHARDSON: I should think the group I mentioned are not Hong Kong veterans. The figure \$5,508 per annum represents the award to a paraplegic who receives a 100 per cent disability pension plus \$3,000 per annum attendant's allowance, plus \$108 per annum clothing allowance.

The CHAIRMAN: Any other questions?

Mr. TOLMIE: Are these all paraplegics?

Dr. RICHARDSON: The group of 100 mentioned on pages 62 and 63 are paraplegics. They are not Hong Kong veterans.

The CHAIRMAN: Shall I carry on with my reading of the last paragraph on page 63?

Twenty years after the liberation of these men from 42 months captivity there is conclusive evidence in medical literature and/or in this report of the nature and course of some of their disabilities, such as optic atrophy, neurological, muscular and minor circulatory defects of the feet and legs, inferior dental health, and an abnormally high death rate from A.S.H.D. There is impressive evidence, though not conclusive in the statistical sense, of widespread gastro-intestinal, neuromuscular, cardiovascular and nervous symptoms, and fatigue disproportionate to identifiable physical factors. The extent to which such symptoms are due to organic disease cannot be determined, but the reality of the symptoms and of a disability of greater or lesser degree is not in doubt.

While further study of some of these problems will undoubtedly be required in the future, the public responsibility under existing legislation can, in my view, be adequately discharged only by a sympathetic and generous policy based on the information now available. To wait any longer would be to wait too long.

Are there any questions up to here?

Mr. HERRIDGE: It is not obvious from a reading of this part of the paragraph, which says: "but the reality of the symptoms and of a disability of greater or lesser degree is not in doubt.", that these veterans are receiving the benefit of the doubt.

Dr. RICHARDSON: They are, sir.

The CHAIRMAN: I carry on:

It is further my view that on the evidence available, and on the principles exhibited in the Table of Disabilities and in the Pension Act, there are many Hong Kong veterans, and perhaps a fairly large proportion of the whole group whose present disability pension is not commensurate with the evidence of disability and with our present understanding of it.

Accordingly a recommendation is being made to the Commission for a careful and sympathetic review of the assessment of disability in accordance with the evidence in each individual case, and at the earliest opportunity. In addition, a recommendation is being made with respect to an effective date for any increased rate of pension which may result from

this general review, to be distinguished from any increases which may be granted in respect of new evidence obtained in an individual case from time to time.

Are there any questions?

Mr. MACRAE: There seems to be contradiction. What does it mean by the "whole group"? You mean all pensioners, all men who served in Hong Kong; all men who returned to Canada from Hong Kong?

● (10:40 a.m.)

Mr. ROCK: Mr. Chairman, I would like to have one of Mr. Carter's questions clarified. He spoke of Hong Kong war veterans and also the Hong Kong prisoners of war. Were there any veterans from Hong Kong who were not prisoners of war? Did any of the Canadians escape, or were they all prisoners of war or were they all killed?

Dr. RICHARDSON: For practical purposes they were all killed or prisoners of war. I believe there was one who came home by an unusual route and rather early in the captivity and the details are not on his record. I believe there were a couple of nurses repatriated on the "Gripsholm" in 1943, if I remember correctly. But apart from these very rare exceptions, all the men who survived the fighting at Hong Kong were prisoners in Japanese hands. And the terms "Hong Kong veterans" and "Hong Kong ex-prisoners" are interchangeable.

Mr. ORMISTON: I have not read the report very thoroughly but I do not see any mention of the fits of malaria. That was prevalent over there, was it not?

Dr. RICHARDSON: There was some malaria, but with the modern methods of treating malaria it rarely recurs after an adequate course of treatment and it has not been a continuing problem.

Mr. MACRAE: Would that also apply to diphtheria which was fairly prevalent there as well?

Dr. RICHARDSON: Yes. The effects of diphtheria were more or less permanent within three or four months of the onset of the disease. The infection disappears and disability is not progressive.

The CHAIRMAN: Any more questions, gentlemen?

Mr. HARLEY: First of all, I would like to congratulate Dr. Richardson on his report which was done very objectively and very sympathetically and I think it is an excellent piece of work. Have there been representations made by other groups, for instance, German persons, who suffered captivity in Germany for similar studies and are there enough cases with the same sort of background to make this a reasonable suggestion. I am sure some of us in this room have already received representations from people who were prisoners of war in other areas saying that they would like the same kind of a study and the same kind of consideration.

The CHAIRMAN: Do you mean the Dieppe veterans?

Mr. ANDERSON: Well, Mr. Chairman, we have had, it is a fact one or two letters from ex-prisoners from other theatres. The time may come when it will be decided to take a further review of their circumstances, something along the

lines of what we have done in the case of the Hong Kong prisoners. At the moment the answer I give is that there has never been in Canadian history any group that were as badly treated as this group of Hong Kong prisoners, and therefore they merit very special consideration, which they are receiving.

An hon. MEMBER: Absolutely right.

Dr. RICHARDSON: If I may add a remark about the medical aspects of captivity in German prisoner of war camps, we have had fairly close contact with men and officers who themselves experienced captivity in German hands. Men who were liberated from captivity in Germany had to go back through a hospital in which I worked in England in 1945. I have been interested in them. It has been common for my fellow medical advisers and for the commissioners to refer to me claims in which it was alleged that starvation or maltreatment at German hands resulted in permanent disability. I would like to say that there are extremely few such cases that have been brought to my attention. I would think at an estimate not more than 10 or 20 of the some 4,000 prisoners in German hands have been shown to my knowledge to have any permanent ill effects of starvation, poor diet or malnutrition while prisoners in German hands.

The CHAIRMAN: Are there any more questions, gentlemen?

(Translation)

Mr. ÉMARD: Mr. Chairman, have you been given the recommendations of the Liberal study group, which studied the report on Hong-Kong prisoners? Were you not given recommendations by the group?

The CHAIRMAN: No, we will make our own recommendations as a committee. Gentlemen, this concludes this stage of our study of the Hong Kong Report. Two years ago the committee was quite convinced of the importance of this study was under way. We have looked at this report and it proves that we were justified in looking at this problem. Again I must congratulate Dr. Richardson and the help he received in preparing the report. I congratulate them on the good work that they have done, but I must also express my gratitude to him on putting himself at the disposal of the committee and for the clear answers that he has given in reply to our questions. I wish also to thank Mr. Anderson and Mr. Fortey for giving us so much of their time. The committee will carry on its work on the report. We will look at the other side of the story on May 17. I am pretty sure that from a thorough study we will come to conclusions and recommendations that we shall be able to present to the House before the end of the month.

Thank you very much, Dr. Richardson, Mr. Anderson and Mr. Fortey.

Mr. HERRIDGE: I want to join with you in expressing the thanks of the Committee and of many veterans who have written me about this subject for the very excellent study made of this by Dr. Richardson and his associates and for his very clear and objective answers to the questions raised during these hearings.

The CHAIRMAN: Dr. Richardson or Mr. Anderson, would you have any comments to add? No?

Well, gentlemen, before we adjourn I just wish to inform you that I would hope that we can have an in camera meeting later this week to adopt an interim report to be presented to the House of Commons in regard to our proposed trip to Europe, and also to take a further look at the detail of the program and schedule. Even though you did accept this morning the report of the subcommittee, because of the fact we do not have the estimates before us I do not know if legally this gives us authorization to request anything from the House of this nature; so I think it would be useful to have that in camera meeting. At the same time you will see the exact procedure we will follow in making this presentation to the House. At the same time you will learn whether the members of the committee support this presentation. Is that agreed?

You will be informed. This will be a fairly short meeting and I hope as many members as possible will attend.

This concludes our meeting. May we have a motion for adjournment.

Moved by Mr. Ormiston, seconded by Mr. Harley.

Motion agreed to.

CURRENT ISSUE
KEPT IN STACKS

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, MAY 17, 1966

Respecting the

REPORT ON HONG KONG VETERANS (1964-65)

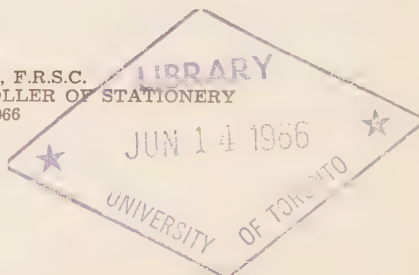
WITNESSES:

From the Hong Kong Veterans Association of Canada: Messrs, A. H. Delbridge, National President, R. H. Lytle, National Secretary, R. Manchester, President, B.C. Branch, S. Kravenchuck, President Alberta-Saskatchewan Branch, W. S. Ashton, President Manitoba Branch, Mr. J. R. Stroud, President Toronto Branch, Lionel Hurd, President Quebec Branch, Charles Brady, Vice-President Quebec Branch and Colin Standish, Director Quebec Branch.

From the Canadian Pension Commission: Dr. H. J. Richardson, Assistant to the Chief Medical Adviser.

From the Department of Veterans Affairs: Mr. G. L. Mann, Chief of Rehabilitation Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966



STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas (*Maison-
neuve-Rosemont*),
Mr. Tolmie,
Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS,
TUESDAY, May 10, 1966.

Ordered: That the Standing Committee on Veterans Affairs be granted leave to adjourn from place to place within Canada and abroad during the period from June 26 to July 17, 1966, and that the Clerk accompany the said committee; and that it be granted leave to sit while the House is sitting, during that period.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, May 17, 1966.

(6)

The Standing Committee on Veterans Affairs met this day at 9:40 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Fane, Habel, Harley, Herridge, Kennedy, Laniel, Legault, Madill, MacRae, Ormiston, Thomas, (*Maisonneuve-Rosemont*), Tolmie, Webb (17).

In attendance: From the Hong Kong Veterans Association of Canada: Messrs. A. H. Delbridge, National President, R. H. Lytle, National Secretary, R. Manchester, President, B. C. Branch, S. Kravinchuk, President, Alta. Sask. Branch, W. S. Ashton, President, Manitoba Branch, J. R. Stroud, President, Toronto Branch, Lionel Hurd, President, Quebec Branch, Charles Brady, Vice-President, Quebec Branch, Colin Standish, Director, Quebec Branch; from the Canadian Pension Commission: Dr. H. J. Richardson, Assistant to the Chief Medical Advisor; from the Department of Veterans Affairs: Mr. G. L. Mann, Chief of Rehabilitation Services; from the Royal Canadian Legion (*Dominion Command*): Mr. Herbert Harmer.

The Chairman read some correspondence into the records and asked the Clerk to read the Third Report of the Steering Subcommittee:

"Your Subcommittee recommends:

(1) That we proceed with the consideration of the Estimates of the Department of Veterans Affairs and that no witnesses, other than Departmental Officials, be called. The majority of Veterans Organizations having expressed their intention not to appear until after they have an opportunity to review the Wood Report on the work and organization of the Canadian Pension Commission;

(2) That the Committee sit on the following dates:

Tuesday, May 17—9:30 a.m.—Hong Kong Report

Tuesday, May 17—3:30 p.m.—Hong Kong Report

Thursday, May 19—9:30 a.m.—Estimates

Friday, May 20—9:30 a.m.—Estimates

Tuesday, May 24—11:00 a.m.—Estimates—The Minister will attend.

Thursday, May 26—9:30 a.m.—Estimates

Friday, May 27—9:30 a.m.—Estimates and Hong Kong Report.

(3) That a Draft Report to the House on the Hong Kong Report 1964-65 be considered after the Committee has completed the study of the Estimates;

(4) That the Committee proceed with the review of the Estimates as follows:

- (a) Item (one) will be called and allowed to stand pending the appearance of the Minister;
- (b) Item 25, Pensions for Disability and Death;
- (c) Item 10, War Veterans Allowances;
- (d) Item 15, Other Benefits including (Treatment and Related Allowances);
- (e) Item 40, Soldier Settlement and Veterans Land Act;
- (f) Item 45, Grants to Veterans settled on Provincial Lands;
- (g) Item 35, Treatment Services (Hospital Construction and Acquisition of Land);
- (h) Item 30, Treatment Services (Operation of Hospitals, etc.);
- (i) Item 5, Veterans Welfare Services;
- (j) Item 20, Administration (Pensions);
- (k) Complete Item (one), Departmental Administration.

Your Subcommittee agreed that the Chairman be extended all the latitude in the organization of the Committee's trip abroad."

It was moved by Mr. Ormiston, seconded by Mr. Madill,

Resolved,—That the Third Report of the Steering Subcommittee be adopted as read.

The Chairman welcomed the representatives of the Hong Kong Veterans Association of Canada, and asked Mr. A. H. Delbridge, National President of the Association, to introduce his Officials. Mr. R. H. Lytle, National Secretary read their brief.

The Committee proceeded to the questioning of the witnesses.

At 12:00 o'clock noon the examination of the witnesses continuing, the Chairman adjourned the Committee to 3:30 p.m. this day.

AFTERNOON SITTING

7

The Committee resumed sitting at 3:35 o'clock p.m., Mr. Laniel presiding.

Members present: Messrs. Carter, Chatterton, Fane, Groos, Harley, Heridge, Kennedy, Laniel, Latulippe, Legault, Madill, MacRae, Ormiston, Thomas (Maisonneuve-Rosemont), Tolmie, Webb (16).

In attendance: Same as at morning sitting, plus Mr. D. M. Thompson, Dominion Secretary, Royal Canadian Legion.

Also present: Mr. Jack Bigg, M.P.

The Chairman introduced Mr. Thompson and the Committee resumed the questioning of the witnesses.

At the request of Mr. Herridge, the Committee agreed that Messrs. Ashton, Manchester and Standish give a brief resumé of their experience as prisoners of war in various Japanese camps.

Messrs. Delbridge, Ashton and Lytle were excused and left to catch a plane.

The examination of the witnesses being concluded the Chairman thanked the witnesses for their excellent brief and representations.

At 5:05 o'clock p.m., on motion of Mr. Ormiston, seconded by Mr. Harley, the Committee adjourned to Thursday, May 19, 1966.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, May 17, 1966.

● (9.45 a.m.)

The CHAIRMAN: Gentlemen, we have a quorum. Let us begin immediately because we have a full day's work ahead of us. We have some guests with us this morning but before making the introductions and hearing the presentation I would ask for the adoption of the third report of the subcommittee. Before doing so I will ask the clerk to read the report.

(See Minutes of Proceedings)

Would someone move the adoption of this report?

Mr. ORMISTON: I so move.

Mr. MADILL: I second the motion.

Any questions on the report? If the committee will permit I would like to add some comments. As you know the Minister will not be present at our first meeting of estimates because he is going to be away. We have been pressed to deal with the estimates by the end of the month so that they can be passed by the house before the summer adjournment which is planned, I am told, to be around the 30th of June. Some people are quite optimistic, I think. Anyway, this is the general set-up and the subcommittee felt that having four or five sittings on the estimates might permit us to get through them. If we need more, then time can be added after that; it is not a matter of limiting discussion on the estimates in any way. Since we will not have associations appearing before us during the studies of the estimates we will save quite a bit of time. If you will permit me I might add that we have with us this morning—

Mr. CHATTERTON: May I make a suggestion? If you want to get more meetings in, it seems to me that a time that is being overlooked by many committees is between 1 o'clock and 2.45 p.m. I think we should consider that, as questioning in the House normally starts about 2.45 p.m. So we could get two full hours in if you start at one o'clock in the afternoon.

The CHAIRMAN: Yes. Would you agree that we begin with the set-up we have now and if we find that we need more time, if it is agreeable to the members of the committee and if we can get quorums, we could arrange for afternoon sittings. We would, of course, have to have permission from the House.

Mr. CHATTERTON: No.

The CHAIRMAN: From one to two-thirty. Not two o'clock.

Mr. CARTER: Do we have permission now to sit?

The CHAIRMAN: No, we do not.

Mr. CARTER: What about today?

The CHAIRMAN: Yes, we do have today. You will notice that the Creditistes will not give a blank cheque permission to sit while the House is sitting unless it is for a specific occasion, when we have witnesses. We will see as we go along and play it by ear. What I was about to say was not the presentation of our guests from the Hong Kong veterans, but we also have with us Mr. Herbert Hammer from the Royal Canadian Legion and I have with me a letter signed by Mr. Don Thompson, the Dominion Secretary. I shall read this letter to you to which is attached a resolution that was presented at the last convention on the Hong Kong Report. After we are through with the estimates, if the committee is agreeable, we could perhaps invite the representative from the Legion and ask their comments on that resolution. I will read the letter, not the resolution because we will pass it around.

Dear Mr. Laniel: The attached resolution was passed by the delegates to our 21st Dominion Convention held in Montreal, May 17-22, 1966, and the Royal Canadian Legion would appreciate the views set forth in this resolution being given careful consideration by your Committee in connection with your deliberations on the matters concerning Hong Kong veterans. We would welcome an opportunity to appear before your Committee to answer any questions you may care to ask concerning this resolution.

Yours very truly,
D. M. Thompson.

If you do not mind, we will let the subcommittee look into this matter and see whether we can have the people from the legion at one of our meetings after the estimates have been dealt with. The first thing we must do is to dispose of the estimates and after that we can conclude our studies on the Hong Kong report. We will have the whole month of June available. We should finish the estimates by the end of May.

Are there any questions on the subcommittee report. I have here a note that came from Mr. Gordon Way confirming the date of June 26 as the date of departure for our trip to Europe. I imagine it will be from Ottawa because a special flight is being organized. I will be following this and I will keep you informed when we arrange all the details for the trip. As far as the report is concerned is everyone accepting the report.

All those in favour?

Motion agreed to.

I would like to introduce to you the National President of the Hong Kong Veterans Association of Canada, Mr. A. H. Delbridge. I am very pleased to welcome him and his associates to Ottawa. I am sure that this day of deliberation and study will be in the best interests of the Hong Kong veterans. I appreciate them coming from all over Canada to appear before this committee and to help us prepare a more conclusive report on the study of the Hong Kong Report. I will call on Mr. Delbridge, the National President, to introduce the other members of the delegation.

Mr. A. H. DELBRIDGE (*National President, Hong Kong Veterans Association of Canada*): Mr. Chairman, and gentlemen. I would like to take this opportunity

to thank Mr. Laniel and members of this Committee on behalf of the Hong Kong Veterans Association of Canada. Before commencing with the reading of the brief, may I introduce my fellow officers to you. On my right, Mr. Lytle, National Secretary; Mr. John Stroud, President, Ontario Branch; Mr. Ashton, President, Manitoba Branch; Mr. Manchester, President, Vancouver Branch; Mr. Sam Kravinchuk, President, Edmonton, Alberta Branch; Mr. Charles Brady, Vice President, Quebec Branch; Capt. E. L. Hurd, past National President, Quebec Branch and Mr. Standish, Director, Quebec Branch. Thank you. Mr. Lytle, will you commence reading the brief.

The CHAIRMAN: I am told the reading of the brief will take about 40 minutes. I think it would be useful to have it read so we will know what it contains and it will permit a more beneficial discussion.

Mr. HERRIDGE: Are we to ask our questions at the conclusion of the brief?

The CHAIRMAN: Yes.

Mr. R. H. LYTLE (*National Secretary*): Mr. Chairman and gentlemen, on several previous occasions and on December 3, 1963, delegations from our association have appeared before this Committee and presented briefs outlining problems concerning Hong Kong veterans substantiated by medical data. We will refer specifically to the appearance on December 3, 1963, when following our submission and questioning by your Committee, there resulted a Study undertaken by the Canadian Pension Commission to examine a number of Hong Kong veterans and their brothers who had served in other theatres of war. This was to be a comparison of their present physical, mental and social-welfare status. The study was headed by Dr. J. H. Richardson of the Canadian Pension Commission who has since released his findings and has made an appearance before this Committee. (Minutes of Proceedings and Evidence Feb. 22/65—April 5/66). We should also like to express our appreciation to the CPC and to Dr. Richardson particularly for an excellent report but . . . we do not agree entirely with the recommendations.

Following are the recommendations from our brief presented dated February 3, 1963

1. A review of pensions of the case of Hong Kong veterans.
2. A revival of the survey started in 1950 and a yearly regular check-up of every individual.
3. The supplying of eye glasses and dental care without question.
4. A study of the effects of Beri-Beri, Pelagra, Dysentery, etc., to establish without question the connection with present disabilities such as Optic atrophy, Cardiac deficiencies, Nerve Destruction, Stomach Conditions, etc.
5. An award of a minimum 50 per cent pension for residual effects of Avitaminosis to every ex-Japanese POW of World War II.
6. An annual increase of 5 per cent of pension, as from 1962, for residual effects of Avitaminosis.
7. That all ex-Hong Kong POW's be given complete treatment entitlement.
8. That the Canadian Pension Commission review all cases where a Hong Kong veteran's death has been attributed to coronary thrombosis, especially where there is history of Beri-Beri. Members of this group are

much concerned about the many decisions in these cases that death was not attributed to service-related disabilities or conditions.

Some of these recommendations have been recognized and dealt with but we should like further consideration given to the following:

Re No. 3

As you are aware full dental care was granted by Memorandum dated May 13, 1965, as a result of the "Brother Survey". However, we would like to know why the Canadian Pension Commission has not awarded pensions for service connected dental disabilities when they have already conceded that inferior dental health exists as a result of our service. We have been told by dental authorities that decay and diseases of the mouth, teeth and gums can be the cause of other unhealthy conditions and disease.

Also, it is our contention that eye glasses should be granted in a manner similar to the provision of dentures.

Re No. 5

We would recommend that basic permanent pension of 50 per cent be awarded for avitaminosis and that this be written into the Pension Act similarly to TB as described in Section 28(3) of the Canadian Pension Act.

If the Committee is in agreement with this recommendation but finds that it runs contrary to the interpretation or principles of the Pension Act, we are wondering if the award could be made by means of an Order in Council or a special Act of Parliament which would include this benefit and any other benefits to which you feel we might be entitled.

Re No. 7

That all ex-Hong Kong POW's be given complete treatment entitlement.

It is our firm opinion that these recommendations are supported and should be granted on the basis of the following:

REFERENCES

1. Crawford, J. N. and Reid, J. A. G., Nutritional disease affecting Canadian troops held prisoner by the Japanese. *Can. Journ. Res. E*: 25, Apr. 1947.
2. Adamson, J. D. , et al, Residual disabilities in Hong Kong repatriates DVA Treat. Serv. Bull., Jan. 1947.
3. Adamson, J. D. et al. Ultimate disabilities in Hong Kong repatriates DVA Treat. Serv. Bull., Apr. 1948.
4. Crawford, J. N. A follow-up study of repatriates from Japanese prisoner-of-war camps. DVA Treat. Serv. Bull., Apr. 1950.
5. Adamson, J. D. and Judge, C. M. Residual disabilities in Hong Kong prisoners of war. *Cdn. Serv. Med. Journ.*, Nov. 1956.

Last month, officers of our association had the pleasure of presenting a brief to "The Committee to Survey the Work and Organization of the Canadian Pension Commission". With the kind permission of the Honourable Mr. Justice Mervyn

Woods, Chairman of that Committee, we have attached this special Brief to the one which we are now presenting to the Standing Committee as it directly refers to, and comments on, the Canadian Pension Commission Report prepared by Dr. H. J. Richardson. (See Appendix "A") Also attached to this present brief as Appendix "B" is a copy of a resolution originated by the Royal Canadian Legion and unanimously approved at their 1966 Dominion Convention in Montreal on April 27th. Attached as Appendix "C" is a photograph showing members of the Hong Kong Force shortly after their arrival at a Japanese labour camp in June of 1943. Their state of emaciation, at that time, was noticeable. The medical condition of these Canadians was to deteriorate to a much greater extent over the next two years.

The Hong Kong Veteran's Association of Canada,
May 17, 1966.

Mr. Chairman, we would like to read into the record of your proceedings our submission to the committee to survey the work and organization of the Canadian Pension Commission. The submission is attached to this brief as Appendix "A" and it contains many comments on the Canadian Pension Commission report prepared by Dr. H. J. Richardson.

April 4, 1966.

The Honourable Mr. Justice Mervyn Woods,
Chairman,
The Committee to Survey the work and Organization
of the Canadian Pension Commission, Ottawa, Ontario.

Dear Mr. Justice Woods:

This brief is submitted to provide supplemental information to that furnished your Committee in our Brief of December 17th, 1965, and to provide comment regarding the Report of Dr. H. J. Richardson of the Canadian Pension Commission.

The major requirement, in so far as the Pension Act is concerned, for members of the Canadian Army who served in the Hong Kong Force is to provide protection for widows and children, in the event that the veteran should die prematurely.

If the veteran is in receipt of a pension of 48 per cent or greater, his widow and surviving children will be entitled to pension under the Pension Act and his children will be entitled to the benefits of the Education Assistance Act.

If pension is in payment at the rate of less than 48 per cent, pension will not be continued for the widow and children, and the children would be denied the benefits of the Education Assistance Act, unless it can be shown that the death is attributable to his service.

The relevant section of the Pension Act is quoted below:

36(3) Except as otherwise provided in this Act, the widow of a member of the Forces who was, at the time of his death, in receipt of a pension in any one of the classes 1 to 11, inclusive, mentioned in Schedule A, or who died while on the strength of the Department for treatment and, but for his death, would have been in receipt of pension

at the rate so provided for any of those classes, is entitled to a pension as if the member had died on Service whether his death was attributable to his service or not.

The main source of apprehension to surviving members of the Hong Kong Force who are in receipt of pension at less than 48 per cent is that they may die from causes which are either unknown, or which cannot be specifically stated to have been attributable to service, thus leaving their widows and children with no protection under the Pension Act.

Medical Examination

This Association is aware of the provisions approved by the Department of Veterans Affairs, under which they are entitled to free medical examination. These provisions do not appear to be sufficient protection as they do not overcome the possibility that a member may die unexpectedly, without previous symptoms or manifestations of any disease.

Autopsy

The Association is aware also of the provisions made in the United Kingdom under which an autopsy and investigation is carried out automatically when the death occurs of a former member of the Forces who was a prisoner of war in the Far East. In this respect, our membership must once again consider that this procedure provides no comfort to the veteran while he is alive, as he is still faced with a matter of uncertainty in regard to adequate provision to protect his widow and children in the event of his death.

Prisoner of War Conditions

It is perhaps difficult for anyone who did not experience the horror of the Japanese Prison Camps to fully understand the present-day apprehension of the Hong Kong Force— an apprehension borne of the knowledge that seemingly-healthy soldiers were overcome by death from causes which were both insidious and incomprehensible to their fellow-prisoners.

Reference is made to the book titled "The Knights of Bushido" by Lord Russell of Liverpool, being a report based on documented records of Japanese atrocities given in evidence at Japanese war crime trials, and before the International Military Tribunal.

Lord Russell states that prisoners of war taken by the Japanese were entitled to the protection of the regulations approved at the Prisoner of War Convention of 1907 which stated that work should neither be excessive nor connected with the war, that they must be decently housed, and fed as well as their captors, and that proper record of their particulars should be taken and disclosed to those entitled to ask for them, and that the relief provided for them by organizations such as the Red Cross must be given to them.

The book states:

Each and every one of these provisions were contravened time and again. They were murdered, they were bayoneted, they were tortured, they were beaten. They were robbed of their possessions. They were worked night and day in appalling conditions and on prohibited tasks. They were kept in filth and squalor and many of them were starved to death or reduced to living skeletons.

The uncivilized ill-treatment of prisoners of war by the Japanese was the natural outcome of the Code of Bushido, which was inculcated into the Japanese soldier as part of his basic training. It was considered cowardly to show one's back to the enemy, and to do so brought dishonor on the family name.

Additional excerpts from Lord Russell's book are set out in Appendix "A".

The inhumane treatment, mental and physical torture and day-to-day starvation of those Canadians of the Hong Kong Force who were taken prisoner is a matter of record.

An important point which, however, has not been sufficiently emphasized is the very considerable number of this Force who died in captivity. Out of a total of 1666 members of the Forces taken into captivity, a total of 267 died in Japanese Prisoner of war camps. It is perhaps understandable that the survivors of the Hong Kong Force today should be concerned about their own life span, bearing in mind that the memory of those of their numbers who have died in captivity is still fresh in their minds. Conditions which were that bad have a life-long effect!

When a prisoner of war observes a fellow prisoner who, for no known reason, has succumbed to the effects of malnutrition and lack of proper treatment, it is understandable that he should wonder whether or not his turn will be next. Added to this was the constant worry about loved ones back home. Prisoners in the Japanese camps were kept unaware of the progress of the war. They received little or no news from home and their concern about their families was a constant source of worry and frustration.

It is felt that the after effects of the degradation and torture suffered at the hands of the Japanese have not been taken fully into account—and many survivors of the Hong Kong Force are today starting to show the effects of nearly four years of imprisonment in the Far East. It must be taken into account that, for many such survivors, the results may not have manifested themselves as yet but this does perhaps explain in terms (which may be incomprehensible to the medical practitioner), the fact that these men exhibit an unusually high degree of apprehension regarding their life span.

Psychosomatic Consequences of Captivity—A very considerable bibliography is now available concerning the effect on the mental and physical well-being of ex-Far East prisoners of war, although it is most interesting that many such books and reports readily admit that such effects are only commencing to become apparent some fifteen or twenty years after the war.

It is believed that one of the most complete works of this type is entitled "Pathology of the Captivity of the Prisoner of War—Tome II" containing the results of the International Medical Conference on this subject, held in Brussels, November 1st to 4th, 1962.

A resume of this report, edited by the International Confederation of Ex-Prisoners of War, contains information which appears to be relative to the report published by Dr. J. H. Richardson.

Some excerpts from the report of the "Pathology of the Captivity of the Prisoners of War" are quoted hereunder:

No doubt statistical studies of the results of internment on a prisoner are difficult to establish. For one thing, witnesses who could serve for

comparison cannot be easily grouped in sufficient number. On the other hand in numerous countries it is proved difficult to assemble exact information based on clinical examinations and laboratory tests about our former comrades due to a certain physical lassitude (fatigue) which often is the result of their captivity.

For the majority of the prisoners the years spent in the camps represented a series of privations, enforced work, new dangers of war, which all have influenced their psychosomatic state.

There followed the stay . . . without ever getting sufficient food . . . the work often difficult in a climate we were not used to, driven by guards obsessed by the notion that we had to produce more, absence or scarcity of news from the family.

The doctors who were interested in the fate of former prisoners have found among our comrades troubles of varying gravity in different organs, but troubles whose frequent appearance, it seems, can be traced back to a common psychosomatic origin.

Captivity, in tearing the individual from his familial and professional surroundings to which he has adapted through acquired reflexes, brought about a series of aggressions: Physical aggression, over-exertion in marching, in work, in climate, privations, fear, anxiety about the future, breaking off family life.

The organism made an effort to adapt to captivity; captivity, however, multiplies the aggressions consisting of prolonged imprisonments, lack of sufficient food, compulsory work.

The successive aggressions disturb the circuit of acquired reflexes at the level of the cerebral membrane, the thalamus and the formations at the base of the brain.

The nervous system of our former comrades shows very often evidence of unbalanced functionings; with the weight of advancing years there appear disorders of temper, irritability, disinterestedness in a sentimental sector and, on the other hand, a diminishing of intellectual ability, difficulty in mental concentration, impossibility of a sustained effort.

In the domaine of psychiatry, it manifests itself as either a slowly advancing asthenia or in chronic form with attacks (Targowla's paroxysmic hypermnesic syndrome).

In particular reference is made to the report of Dr. Francis Lantheaume of Neulise, France in his "Introductory Report to Senescence". He reports as follows:

This problem of fatigue is moreover been studied by authors from various countries and their conclusions are practically identical in noticing the wear caused by a psychic as well as neuro-muscular fatigue. One has also placed the accent on the responsibility of emotional, affective, and nervous shocks in the evolution and precociousness of senescence.

Baumgartner writes:

The accumulation of physiological and psychological stresses which have a repercussion on the sympathetic system and on the hollow viscera,

is responsible for increased mortality among men between the ages of 40 and 70 years.

On their side J. and M. Postel dealing with the senile psychological feeling, say: These causes are mainly of psycho-affective and social order.

Mr. Boruk insisted particularly on the etiological role of emotional shocks: deaths, violent emotions, changes of job, family conflicts. Hunger, misery, physical and moral stresses, fatigue, climatic and atmospherical injuries, physiological shocks, here are in a few words the causes of precocious senility, to which one must add since a few years, the inopportune eradiations to which the human organisms are submitted.

For one who lived in prisoner of war camps, it is undeniable that one finds here all the conditions, almost at the experimental state, of the incurrence of precocious senescence.

However, before a prejudiced mind, it is not difficult to affirm this, one must also give proof of these declarations.

Dr. Lantheaume then quotes a number of eminent physicians who have carried out studies which indicate considerable pre-aging for ex-prisoners of war. He then states as follows:

This summary, as it is only a short summary in relation to the works published in the last fifteen years, as boring as it may seem, has only aimed to start an investigation on the precocious senility, the premature senescence which seems to be the fate of the ex-prisoners of war.

It is important that very soon a close network of proofs prove to the reticent Governments, the materiality of our statements. Once again it is a question of helping unfortunate people, victims of fate.

The findings of the International Military Tribunal for the Far East indicated that the high rate of mortality was due to:

- Brutal forced slave labour
- Physical violence
- Starvation
- Lack of clothing and adequate shelter.

The Government of Canada has recognized the principle of compensation for forced slave labour and mal-treatment by the payment of a special per diem allowance to ex-prisoners.

Of the total of 1,956 Canadians who went to Hong Kong the following figures are given:

Killed in action or died of wounds	290
Deaths from other causes	267
Total	557

In this Section of our Brief we would repeat the fact that some 267 of our fellow prisoners of war died from other causes in Japanese prisoner of war camps. This is a significant figure, and one which has continued to cause a great deal of concern among our membership. As we have attempted to point out herein, when death takes the life of a man who was presumed by the medical staff of the army to have been in top physical condition only a few months

earlier, those who survive him in the surroundings of a prison camp are bound to be apprehensive about the effects of malnutrition and of prison camp conditions generally.

Post War Developments

This Association is also deeply concerned about the very considerable number of its members who are seriously ill or who have died since their return to Canada. The last figures on deaths showed that some 135 had suffered what can only be described as a premature death, having regard for their age group.

In view of these figures, and in view of the overwhelming medical evidence concerning the high incidence of fatal diseases (including atherosclerosis and avitaminosis), it is understandable that ex-prisoners of war from the Hong Kong Force should continue to request the government to take such action as might be necessary to ensure that pension would be put into payment for their families in the event of their death, regardless of whether or not there was clear-cut evidence that such death was attributable to service factors.

Report of Dr. H. J. Richardson, Canadian Pension Commission.

(1) 5% OF THE TOTAL HAVE DENIED HAVING ANY DISABILITY RESULTING FROM THEIR PRISONER OF WAR EXPERIENCES (page 4).

Comment: It is perhaps true that a small percentage of the Hong Kong Force have no pensionable disabilities. Presumably such personnel escaped the full after-effects of imprisonment by reason of special status, or because they were incarcerated in Officer's camps.

This Association considers that it is unjustifiable, nonetheless, for the Government to deny adequate protection in the event of the early death of a member of the Hong Kong Force simply on the basis that a small percentage of the survivors have made no application for pension, or alternatively have been found to have no pensionable disability.

(2) THE PENSION COMMISSION RECOGNIZED SPECIAL NEEDS OF THESE VETERANS IN 1946.

Comment: It was at the time of discharge that most Hong Kong survivors showed the greatest physical effects of their imprisonment. The Pensions Act provides that pension action shall be taken upon release from the Services. If, at that time, the Hong Kong P.O.W.'s had been examined for pension purposes they would have carried a very high assessment. This would have been established at 100% in most cases, based on their ability to compete in the common labour market.

Instead, the Canadian Pension Commission has taken 20 years to develop what might be termed a "firm policy". This policy is based on the fact that the veteran must now establish his claim for pension on the basis of his present condition.

This is unrealistic as many such conditions do not have symptoms which are easily diagnosed.

(3) REPORTS FROM OTHER COUNTRIES ON THE EFFECTS OF INTERNMENT ARE LIMITED IN USE BY INADEQUATE DESCRIPTION OF THE CONDITION OF THE SUBJECTS PRIOR TO THEIR CAPTIVITY.

Comment: This Association represents that the physical condition of the Hong Kong Force at time of capture was well known. These men were in top physical condition, and the fact that, today, most of them are unable to compete in the common labour market would have to be considered as an indication that their suffering and privation was at least on a par with their fellow prisoners, who are the subject of reports from other countries.

(4) LIFE INSURANCE (page 19)

Comment: This Association considers that one of the most significant results of the survey was the fact that the non-POW brothers carried considerably more life insurance in the higher brackets (\$20,000, and in excess of \$30,000) than did the ex-Hong Kong prisoners.

(5) PROBLEMS CONCERNING HEALTH AND LIFE EXPECTANCY (page 21)

Comment: This Association considers that, here again, a significant factor brought out in the survey was that ex-Hong Kong POW's "did, in fact, describe more problems than their brothers and more concern about their health and life expectancy."

(6) ATTITUDE OF VETERANS TO BENEFITS FOR HONG KONG VETERANS (page 23)

Comment: This Association does not consider as significant the fact that a reasonably high percentage of ex-prisoners stated the opinion that Hong Kong prisoners of war had received fair and just treatment.

It is suggested that many ex-prisoners do not fully realize their entitlements. If they had been advised, for example, that the expenditure of the Government on behalf of War Veterans Allowance had now reached some \$98,000,000 annually, compared with a total pension bill of some \$181,000,000, and that under Veterans Legislation in Canada it is quite possible for a man with ordinary services to receive a 5% pension for some minor condition and in addition receive War Veterans Allowance of \$94.00 a month and Attendance Allowance from the Canadian Pension Commission for a non-pensionable condition of \$250 a month, their attitude may have been somewhat different.

Also, we must not discount the natural tendency of the ex-combat soldier to play down his own difficulties. In fact, this is shown quite clearly in the fact that some 57 ex-prisoners stated that they had been treated fairly by the Pension Commission in their own cases, but only 34 said that the treatment had been fair and just to ex-Hong Kong prisoners in general. In other words, the man was not willing to register a direct complaint in his own case, but he did feel that generally ex-Hong Kong POW's were treated unjustly.

(7) EX-HONG KONG POW's BELONG TO MORE ORGANIZATIONS BUT SHOWED LESS LEADERSHIP IN THEM, AND ADMITTED MORE PERSONAL PROBLEMS.

Comment: This Association considers this observation to be without foundation. In regard to the Hong Kong Association itself, the leadership of its

executive officers is something of which they consider they can be justifiably proud. This Association is largely without funds and has carried on a long-standing battle for pension and other rights. It is perhaps significant that, even in the concessions made in the report of Dr. Richardson, there is clear indication that the Association was correct in claiming rights which, up until now, have been denied by the Canadian Pension Commission.

Concerning leadership in general, it is well to bear in mind that the ex-Hong Kong prisoners of war are, for the most part, carrying severe physical disabilities. It is somewhat unreasonable to expect that they should have the necessary physical energy for leadership, compared with the general population.

Regarding the comment that ex-Hong Kong POW's admitted more personal problems, the Committee is invited to examine a previous remark by Dr. Richardson on page 21 as follows:

It was expected that the ex-prisoners would give information more freely than the controls, due to their more frequent contact with the Department, if not for other reasons. They did, in fact, describe more problems than their brothers and more concern about their health and life expectancy.

(8) NEURO-PSYCHIATRIC CONDITIONS (page 28), WHEREIN DR. RICHARDSON STATES:

It is usually thought better not to stress the psychogenic aspects of symptoms unless doing so will facilitate treatment.

Comment: This Association contends that, if there is a psychiatric problem, it should be recognized in assessment for pension purposes. The question of treatment methods is not an issue here. This Association suggests that, if there is a psychiatric problem which is related to service, it should be pensioned at the full extent of the disability arising therefrom, and any attempt to "hide" this problem for the reason that it might complicate treatment is a matter which would have to be handled by the psychiatrists.

(9) DENTAL HEALTH—DR. RICHARDSON STATES:

Their dental health condition still remains inferior to that of their brothers and it can be concluded with a high degree of confidence that this inferiority is related to the conditions of captivity. (page 44).

Comment: This Association considers that the Pension Commission has treated this dental problem with insufficient emphasis. The fact that malnutrition, and disease was severe enough to create a serious dental health problem should also be taken as an indication that other internal problems exist of a severe nature. These problems are perhaps difficult to diagnose but it is considered by this Association that the poor dental health of ex-POW's of the Hong Kong Force is one more factor to indicate the dangerously-low health level of this group.

(10) ATHEROSCLEROSIS—DR. RICHARDSON STATES: (page 50)

There is no significant difference between the ex-prisoners and their brothers in the severity of cardiovascular disease, but it is possible that significant differences would be found in a much larger series.

It is also possible that more intensive investigations by methods considered unsuitable for this survey or repeated examination over a period of years would provide valuable information.

Comment: In view of these remarks by Dr. Richardson this Association contends that the benefit of the doubt should be extended in regard to heart disease. This contention is supported by the proposal in Dr. Richardson's report (page 70) in which he suggests "the Commission consider giving effect to this evidence by conceding the possibility of a partial relationship between factors relating to internment in the Far East as comprehended in entitlement for avitaminosis and the appearance of clinical A.S.H.D.". (Arteriosclerotic Heart Disease)

This Association desires to point out that the conclusions (inconclusive as they may be) in Dr. Richardson's report concerning heart disease can hardly be calculated to induce peace of mind in the surviving Hong Kong prisoners of war. In effect, Dr. Richardson's report tells us that imprisonment can cause heart disease, which is the No. 1 killer of adult males in Canada. In view of this, it is understandable that our Association should ask for pension legislation which would protect the widows and children in the event of death.

(11) THAT THE MORTALITY EXPERIENCE OF THIS GROUP (REFERRING TO HEART DISEASE) BE REVIEWED NOT LATER THAN 1970 (page 71)

Comment: This Association must necessarily concern itself with the question of protection for widows and children of those of our members who might die between now and the date of completion of further reports based on the review of the mortality experience proposed for 1970.

(12) RETROACTIVATION—DR. RICHARDSON (page 72) REQUESTS:

That the Commission undertake to review, having regard to the provisions of Section 36-3 and other relevant sections of the Act, cases in which retroactive increase in the rate of pension would have been payable, but for the pensioner's death, to pensioners who have died since the effective date of such increase.

Comment: The understanding of this Association with regard to Section 36(3) is that pension may be granted to a widow only if the Pension Commission is prepared to concede that the death was attributable to service, or alternatively that the pensioner would have been in receipt of a pension at the rate of 48% or greater, provided that the pensioner died while on the strength of the department for treatment.

We interpret this to mean that the only cases where retroactive pension shall be awarded to a widow is if the husband died while on the strength of the Department for treatment, provided of course, that pension was not in payment of a rate of 48% or greater, and provided that the Commission can concede that he would have been in receipt of a pension of 48% or greater if he had been assessed during his lifetime.

So far as the Association is aware, no provision is made for consideration of cases where our members have died from what, on the face of it, would appear to be a non-service connected cause. We are thinking of cases where ex-prisoners took their own lives; where they were killed in accidents, presumably under

circumstances where it might have been possible to establish their relationship with a pension disability such as poor eyesight; or where the pensioner simply had an assessment of 30% and died from some cause other than his pension while he was *not* on the strength of the Department for treatment but where, having regard to the conclusions in Dr. Richardson's report, he might well have been entitled to an assessment of at least 48%, had the Commission's Medical advisors been operating on the basis of the conclusions of Dr. Richardson.

(13) REQUEST FOR MINIMUM PENSION OF 50%—DR. RICHARDSON STATES: (page 62)

The more general requests for increased rates of pension, based on the nature and effects of the disability resulting from malnutrition and other stresses, must be considered in relation to the assessment of other disabilities. This is a difficult and challenging problem.

Then on page 63 he says:

Nevertheless, the data indicating within what limits earning power and standard of living had been effected by disability, and the data on social relationships and activities do help to round out a picture of disability which cannot be fully described in medical terms alone.

Later on page 63 he states:

Twenty years after the liberation of these men from 42 months captivity there is conclusive evidence in medical literature and/or in this report of the nature and course of some of their disabilities. There is impressive evidence, though not conclusive in the statistical sense, of widespread gastro-intestinal, neuro-muscular and cardio-vascular and nervous symptoms and fatigue disproportionate to identifiable clinical factors.

Then on page 64:

While further study of some of these problems will undoubtedly be required in the future, the public responsibility under the existing legislation can, in my view, be adequately discharged only by a sympathetic and generous policy based on the information now available. To wait any longer would be to wait too long.

Comment: This Association contends that these opinions expressed by Dr. Richardson furnish the soundest possible basis for the establishment of a basic minimum pension of 50% for all ex-prisoners of war who served in the Hong Kong Force, and who were held in captivity by the Japanese.

It is well established that medicine is not an exact science. This Association has been advised time and again that no medical practitioner could hope to make an adequate prognosis regarding the life expectancy of our group, although there is much evidence to indicate that this life expectancy has been considerably shortened.

We are prepared to admit that Dr. Richardson's survey provides valuable data, based on a comparison between male members of the same family, one of whom served in the Hong Kong Force and was a prisoner of war, and one of whom served elsewhere in the Armed Forces.

This data should not, however, be considered as the deciding factor in the question as to whether or not Hong Kong prisoners of war are entitled to a basic 50 per cent minimum pension, particularly in view of the need to protect their wives and their children in the event of premature death.

Basically, this survey is merely an indication of the present medical condition of the survivors of the Hong Kong Force. The Survey does indicate that, in many respects, these survivors are living under considerable stress and strain, and are suffering known after-effects from malnutrition and other forms of inhumane treatment at the hands of the Japanese.

This Association considers that, in addition to the stark evidence of serious consequences of ill treatment now evident among our group, the Canadian Government must take into account the overwhelming evidence which is available through the studies by international experts in the field of tropical medicine, supported by results of special studies carried on in other countries.

We do not wish to belabor this point, but the members of this Association must necessarily come to the conclusion that those responsible for the decisions regarding pension for ex-Hong Kong prisoners of war have failed to place sufficient emphasis on these studies.

At the risk of being repetitive, we would desire to submit for consideration, one further reference. Dr. Ulrich Venzlaff of the University of Gottingen concluded an exhaustive study of this matter in 1964, and concluded that among the 500,000 United States citizens who suffered persecution and imprisonment by the Nazis and Japanese in World War II, many are suffering from what is called "prison camp syndrome". This syndrome is described as "permanent somatic and psychic sequelae", ranging from organic brain and atherosclerotic damage to loss of memory and inability to function.

Dr. Venzlaff contends that:

Although there are some physicians who still maintain that protracted starvation and prolonged emotional stress produce no permanent physical or psychic damage, the results of experience in the camps of World War II have proved these doctrines untenable. We are dealing with serious psychic and somatic results of long lasting extreme stress.

He goes on to state:

The decrease of plasma protein together with imbalances of the metabolism, lead to characteristic edema. Atrophy of the stomach and intestinal mucous membranes, produces digestive disorders and then a latent liver insufficiency through lack of proteins, frequently associated with non-jaundice liver diseases. Of special significance is endocrine insufficiency, resulting from lack of essential amino acid. Disappearance of libido, amenorrhea, atrophy of ovaries and testes, and hypothyroidism also occur. Patients who experience a severe and long-lasting dystrophy especially when aggravated by heavy labour infections or trauma, were found to have brain atrophic changes, with enlargement of the third ventricle.

Lest there be some suggestion that the members of the Hong Kong Force did not suffer in the same degree as the persons referred to in Dr. Venzlaff's report, it is perhaps advisable to mention that the Canadians were among the first

prisoners of war taken by the Japanese. They were thus subject to humiliation, torture and starvation for 44 months. So far as we have been able to determine, the duration of our internment was as long as, if not longer than, any other group of prisoners of allied nations in the hands of the Japanese.

Time does not permit further references. There are, however, many such reports available for study. It is perhaps significant that, in failing to take full cognizance of these reports, Canadian authorities are once again exhibiting an over-cautious attitude—an attitude which seems to have been an over-riding consideration in administration of war disability pensions in Canada since the end of World War I.

The survivors of the Hong Kong Force have already suffered grievously from this attitude. Our Association contends that when the Hong Kong veterans returned home from some 44 months as prisoners of war they were all in ill health and should have been granted entitlement at that time of 100 per cent. The Canadian Pension Commission adopted an attitude of "wait and see". The results have been disastrous. There are members who have been deprived of adequate protection for many years—a fact which seems fully brought out in Dr. Richardson's report. The results for dependents of those who have died since their return to Canada are even more serious.

May we, in conclusion, make the following comments;

(1) Responsibility of the Government

It is the firm conviction of this Association that the people of Canada desire the Canadian Government to be as generous as possible in regard to pension action for the ex-members of the Hong Kong Force. This desire is presumably based on the fact that the Canadian Government has recognized that Hong Kong veterans represent a special group who were forced to undergo an experience which was probably far more severe than that experienced by any other group of military personnel in the history of Canada.

In this respect, we do not wish to stir up old controversies but it is of some importance to bear in mind the question of whether or not the Hong Kong Force should have been sent to the Far East and, if, this was an error on the part of the Government and/or to Military authorities, it is significant that the total cost of this error was and is being borne by the survivors of the Hong Kong Force and their dependants.

(2) Benefit of the Doubt

If the benefit of the doubt clause in the Pension Act means anything at all, it should be invoked to ensure that the members of this Force, and their dependants, are afforded the maximum protection possible under the Pension Act.

(3) Cost to the Government

The establishment of a basic 50 per cent pension for members of the Hong Kong Force will represent a relatively minor cost to the Canadian taxpayer, bearing in mind that total pension liability of the Canadian Government for World War I and World War II pensions in the fiscal year ended March 31st, 1965 was \$180 million. Admittedly there would be some additional cost, however, the counter proposals now being considered include that of performing

autopsies on our members with a view to establishing, where possible, relationship between their death and service (which presumably would lead to the payment of pension for a widow in any event). Hence, any additional cost would be confined to the amount represented by the difference in pension between the amount now being paid for those *under* 50 per cent and the amount which would be paid if the 50 per cent basic minimum were established.

At December 31, 1964 there were some 401 Hong Kong veterans out of a possible 1205 who were in receipt of pension of 48 per cent or more. Presuming that the recommendation in Dr. Richardson's report concerning immediate increases is implemented, we can expect a further 300 or 400 of our group will be raised into the 48 per cent or greater category. This leaves a group of perhaps 400 to 450 whose pensions would remain below the basic minimum of 50 per cent. Bearing in mind that many of these will carry a pension of somewhere between 25 per cent and 30 per cent, it seems safe to assume that the cost to the Canadian taxpayer of bringing the entire group to 50 per cent would represent a minor expenditure.

In view of these conclusions it seems reasonable to make the following recommendations:

(1) That all members of the Hong Kong Force who were interned as prisoners of war by the Japanese be awarded the basic minimum pension of 50 per cent, provided that:

- (a) Such pensions be payable only if veteran makes application for same; and
- (b) if necessary, provision for a 50 per cent basic pension for all ex-Hong Kong prisoners of war be authorized by special Act of Parliament, such to be enacted:
 - (i) Partly as compensation for physical and other forms of disability attributable to service in the Hong Kong Force; and
 - (ii) Partly as compensation for the inhumane treatment suffered by the members of the Hong Kong Force during internment by the Japanese Government.

(2) The Canadian Pension Commission utilize Section 25 of the Pension Act (which provides that a pension may be awarded on a compassionate basis where pension cannot be granted under other sections of the Act) to make adequate provision for the widows of Hong Kong prisoners of war who have died since World War II, and in whose behalf pension was not in payment; and

(3) That the Education Assistance Act be amended so that, where a compassionate pension is in payment to the widow of an ex-member of the Hong Kong Force, her children will be made eligible for educational benefits under the Education Assistance Act.

Appendix "A"

Hong Kong Veterans Association,
Supplementary Brief dated
April 4, 1966.

The members of the Hong Kong force were captured by the Japanese Army in December, 1941. They were released in September, 1945. They were, therefore, among the first Allied servicemen to be taken as prisoners of war and were thus subject to as severe treatment at the hands of the Japanese as any other Allied prisoners, and for a considerably longer period.

The following excerpts from the book "The Knights of Bushido" by Lord Russell of Liverpool are pertinent:

From the beginning of the Pacific War the generally accepted Regulations concerning the custody of prisoners of war and civilian internees were flagrantly disregarded. Prisoners of war were murdered by shooting, decapitation, drowning, and other methods. They died during death marches on which prisoners of war who were sick and quite unfit for any form of exertion were forced to march for long distances in conditions which even fit troops could not have been expected to stand. Many of those who fell out of the column were shot or bayoneted to death by the escort.

There was forced labour in tropical heat, without any protection from the sun, and thousands of prisoners died whilst working on the Burma-Siam railway, upon the construction of which they should never have been employed.

In the prison camps the conditions were appalling. The accommodation was inadequate, the sanitation non-existent, and the absence or scarcity of medical supplies resulted in thousands of deaths from disease. Prisoners were systematically beaten and subjected to a variety of tortures in attempts to extract information from them, or for minor disciplinary offences committed by them in the camps. Prisoners of war, recaptured after escaping, were shot, and captured aviators beheaded, in the usual Japanese method by sword. Even cannibalism was not unknown.

The above list is by no means exhaustive, and many other examples of brutality and ill-treatment will be found in the succeeding chapters which describe in some detail these horrible crimes.

The extent of the ill-treatment, however, can be appreciated from this significant comparison. In the European theatres of war 235,473 British and American prisoners of war were captured by Germans and Italians. Of this number 9,348 or 4 percent of the total, died in captivity. In the Pacific theatres of war the percentage was 27.

Nimori's activities were not solely confined to the voyage of the Lisbon Maru. He made another voyage a few months later, again as interpreter, on a transport named Toyanna Maru, which was taking a draft of Canadian prisoners of war from Hong Kong to Japan. During the voyage some of the prisoners, who had been given sweaters by the Red

Cross, sold them to their guards in exchange for food. This came to the ears of Nimori who held a kit inspection. One prisoner, a Canadian soldier named Rifleman Doucet, of the Royal Rifles of Canada, was unable to produce his sweater on the inspection. Nimori and a Japanese corporal then set about Doucet in a most brutal manner. He was beaten with a belt, hit all over the body, knocked down, and while on the ground was kicked in the stomach. After this assault Rifleman Doucet had to be carried below, and was very ill for the remainder of the voyage. He never recovered and about a month later died at Marumi Camp in Japan.

This final chapter of the treatment of allied prisoners of war describes conditions in some of the many prison camps in which thousands lost their lives, and where death was often a merciful release from unendurable suffering.

Early in 1942 the Japanese government undertook to take into consideration the national customs and racial habits of their prisoners and internees when supplying such things as food and clothing, but this promise was never kept. When large numbers of prisoners began to die or become ill from malnutrition it must have been obvious to the Japanese authorities that one of the causes was that owing to their different national dietary customs and habits, the American, Australian, British, Dutch and French prisoners could not remain healthy on the rations issued.

Many of those who survived captivity will carry its marks upon them for the rest of their lives, and for many more the expectation of life has been considerably shortened.

Many thousands of civilian internees died during captivity, and many others have prematurely died since, wasted by disease. There are some who will never recover from their experiences of Japanese occupation, and will remain, until their dying day, broken in body or warped in mind. All this they owe to the "Knights of Bushido".

Appendix "B"

RESOLUTION—ROYAL CANADIAN LEGION DOMINION CONVENTION—1966

Hong Kong Veterans

WHEREAS the Pension Act defines disability as the loss or lessening of the power to will and to do any normal mental or physical act; and

WHEREAS twenty years after the liberation of the Hong Kong prisoners-of-war from 42 months' captivity there is conclusive evidence of the nature and course of some of their disabilities, for example, optic atrophy, neurological disorders, etc.; and

WHEREAS there is also impressive evidence though perhaps not wholly conclusive, of widespread gastro-intestinal, neuromuscular, cardio vascular and nervous symptoms and fatigue; and

WHEREAS the report of the Medical Adviser of the Pension Commission recently published states that a fairly large proportion of these former prisoners receive disability pensions not commensurate with the evidence of disability and the present understanding of it:

THEREFORE BE IT RESOLVED THAT—

(1) an award of a minimum of 50% for the residual effects of their imprisonment be paid to every ex-Japanese POW of World War II.

(2) where ex-Japanese POW's have died since release from captivity and their widows have not been granted pension, steps be taken to make awards on the basis that death was service-related,

(3) arrangements be made for yearly pension medical examinations for all ex-Japanese POW's.

Mr. Chairman, we have had correspondence with Dr. Albert Hawes who is the Director of the Cardiopulmonary Laboratory of the New York University Medical Centre over the past months and we had hoped that Dr. Hawes would be present here today to appear with us. But one of our members was speaking to him yesterday on the phone and due to the pressure of business and health he has not been able to appear. He had hoped to have a report for us to present at this time, but it will not be ready for approximately two weeks. We would like, on receipt of this report, to have permission to submit it to your Committee.

Mr. Chairman, in closing we would like to express our gratitude to Dr. Richardson of the Canadian Pension Commission for his interest and efforts on our behalf. We would also like to remind you and the other Committee members that over the years we have made many submissions to parliamentary committees on veterans affairs. We have always been received in an understanding and friendly manner and we want to take this opportunity to thank this committee and all the others too for the assistance and support they have given our recommendations.

That, Mr. Chairman, is the conclusion of our brief. Thank you.

The CHAIRMAN: Thank you very much, Mr. Lytle. Before we carry on with the questioning, I want to bring to your attention the presence of Dr. Richardson whom we welcome and whose work has been very much appreciated in this study. Next to him is Mr. Hammer, the representative of the Canadian Legion whom I spoke about earlier.

Gentlemen, I am wondering what would be the best way to proceed with the questioning. I think it would save very much time in going through the report if we started our questioning on the first section and then followed with next section which is Appendix "A", the presentation to the Woods Commission, and then with the other appendices. Is that agreeable to you? I would appreciate your comments.

Mr. MACRAE: Mr. Chairman, there is no restriction on our time, is there nor on the use of it?

The CHAIRMAN: No.

Mr. CHATTERTON: Some of us have other committees to attend.

The CHAIRMAN: Another thing I would wish to bring to your attention is that we will have to decide on the time of adjourning for lunch. Would 12 o'clock or 12.30 be acceptable to you. As you know, we meet again at 3.30 this afternoon, after the orders of the day. Should we proceed until one o'clock?

Mr. CHATTERTON: Do you realize that some of us have other committees to attend?

The CHAIRMAN: Yes, I know that.

Anyway we will carry on until noon and we will see how far we get. When we adjourn at noon I would appreciate if some members could be available so we could have lunch together in the parliamentary restaurant, with the group of the Hong Kong delegation, if you are free.

● (10.45 a.m.)

Mr. HERRIDGE: When I see government expenditures in other directions which in many cases we support, it seems to me that this brief is a very sound argument in support of their proposals.

Mr. WEBB: \$6 million for a painting, right?

Mr. HERRIDGE: Oh, yes. My friend opposite, Mr. Webb, has mentioned something about \$6 million for a painting of something or other.

Mr. CARTER: Is it possible for us to discuss this while the Woods Commission is still considering it?

The CHAIRMAN: Let us say, Mr. Carter, that we could ask the questions of these people while they are here, because we are to present a report to the House on the Hong Kong Report and their presentation to the Woods Commission was made after the publication of the Hong Kong Report. I think this is an enlightening factor maybe to our discussion on the report. This is why we must permit the question on that presentation even though the conclusions of the Woods Commission are not before us yet. Anyway this is my opinion.

Mr. CHATTERTON: I would like to ask a question with regard to the statement on page 10 that 5 per cent—

The CHAIRMAN: If you do not mind, I think either Mr. Delbridge or Mr. Lytle was about to make a comment on Mr. Herridge's remarks.

Mr. HERRIDGE: Would your officers say that the final decision of the government to have a report of the study of the disabilities and problems of the Hong Kong veterans was a recognition of the fact that you have been right in everything since 1945?

Mr. DELBRIDGE: Definitely, Mr. Herridge.

Mr. HERRIDGE: I am very interested in your representations with respect of the cost to the government, on page 22. Could you inform us how you obtained these figures—

Mr. STROUD: Mr. Herridge, perhaps the best answer we could give you is the fact that on page 60, Dr. Richardson breaks down the various pension rates, starting at class 1 to class 20. We feel, from his recommendations which are being implemented, and assuming that most of them are going to be in the 20 per cent increase, that when this is completed most of these pensioners

are going to be perhaps 10 to 15 per cent below the 48 per cent ceiling to give the proper protection. We feel that approximately no more than 565 veterans will be involved who will not be in that 50 per cent class. We feel that most of these will be in the 35 to 40 per cent, if all the recommendations, as Dr. Richardson has recommended, are implemented. This will bring them up close to 40 per cent. That is why we say that the cost will be relatively small. We feel the difference will bring most of them to 50 per cent.

Mr. HERRIDGE: You say the cost is infinitesimal compared to the expenditures from the government's point of view nowadays?

Mr. DELBRIDGE: That is right.

Mr. CHATTERTON: I refer to the 5 per cent for those who have no disability. Now many of those will be officers or were the officers increased by a different rate than the men?

Mr. STROUD: Not just because they are officers but we know that some of our officers are wealthy in their own right and we have not looked into this matter since Dr. Richardson reported. I have personally been in contact with one particular officer: he happened to be in Ottawa and we were here on the Woods Committee, and he told me that personally he was in that category and that was why he did not bother to go to D.V.A. hospitals. He preferred going to his own specialist and pay for his own medication.

In the Toronto district we have two of 60-odd men who are not receiving any pension and for one reason or another did not want to have anything to do with their fellow Hong Kongers when they came back or anything to do with a suggested hospital or being "locked up" as they call it in a D.V.A. hospital. In the other class we found a fellow who went back to work and because his chances of promotion were very slim, if he was known to have any type of disability he tried to carry on without going near any D.V.A. hospital.

Mr. TOLMIE: One of your recommendations was that the basic minimum pension of 50 per cent be awarded to Hong Kong veterans. You also state "provided that such pensions be payable only if veterans make application for same." I was wondering about that. Do you have a good record of the location and residence of all the veterans? Suppose, for example, there are veterans whom perhaps you have no record of, would it be unfair to them to keep this proviso in? They may not be aware of it and may not make application and still deserve it.

Mr. MEREDITH: I think, Mr. Chairman, that in reply to the question, we have adequate records which we could contact and bring to the attention of all our membership. This brief is to be circulated to all the known Hong Kong veterans living in Canada and in the continental United States. Consequently, they will then be aware of their rights in respect to making application for, or their entitlement to, if such is granted, any pension.

Mr. TOLMIE: In other words, you take the position that it should not be automatic: that the veteran should apply and that you feel you have the facilities to make known to him what rights he might have.

Mr. MANCHESTER: I think we are concerned in this matter with the persons who would apply, to the group who have indicated their unwillingness, this 5

per cent, to come forward this would be made available to them. For the majority it would be an automatic condition that they would receive a 50 per cent pension.

Mr. ORMISTON: Mr. Chairman, I heard an observation from some of the Hong Kong officials regarding the method of payment that is suggested for the general disability. I think we all realize that it is very deserving. We also realize that possibly the monetary or the fiscal problem is not insurmountable; that it is a change in principle of the system of assessment and I think this is something that should concern us.

As suggested, in respect of each individual who feels it is justified, or which you suggest should be recognized, the pension of 50 per cent should be given. Then, this opens up a very wide field for veterans, other prisoners of war, to take the attitude that if consideration is given to one group, then it should be applied to other groups. So we have to start from a basic principle of giving the same treatment to everyone. I think you realized this when your presentation was made that we cannot make fish of one individual and flesh of another. We realize the position of the Hong Kong vets; and I was hoping that one of the officials would make a statement regarding the relationship between yourselves and the other prisoner of war groups.

Mr. LYTLE: It does not really require new legislation to do this, and it is not something that has not been done before. Unfortunately, we had an amendment to our brief which is not included in your book, but we could provide this later. Under the present legislation special consideration can be given to special groups—and it has been done in the past. For instance, I read into the record that there was special consideration given to Supervisors of War Services Benefits Act, the Fire Fighters War Service Benefits Act, the Womens Royal Naval Services and the South African Military Nursing Service Benefits Act and a Special Operators War Service Benefits Act. These things have been done before and can be done again. It does not have to be generally or all veterans; I mean special groups can be given consideration under existing legislation, as I understand it, in this manner. I hope this answers your question.

Mr. ORMISTON: Another question, Mr. Lytle. When the Canadian Government paid out gratuities on two occasions, I believe, to prisoners of war did the Hong Kong veterans then get any special consideration.

Mr. LYTLE: They did?

Mr. ORMISTON: In what proportion, do you recall?

Mr. STROUD: Yes, I do, I was on that committee. We might say that there was one error in the brief. We only got compensation for maltreatment and it was on Ilsley's recommendations after exhaustive investigations that they found that the conditions prevailing in the Japanese prisoner of war camps were much more severe and for a longer period than prisoners of war in Germany. Of course, they also took into consideration, which comes out in the Ilsley report, the fact that only 4 per cent of the prisoners of war died in German camps; whereas 27 per cent died in Japanese prisoners of war camps. I believe this also had some bearing on it, but we did receive \$1 a day for maltreatment and later on an additional 50c, \$1.50. The maximum, and I am speaking for prisoners of war in the Toronto area, received was 75c, but they were in for a shorter period; they were not in four years as was our group.

Mr. ORMISTON: There were no Japanese reparations then, in so far as our veterans were concerned?

Mr. STROUD: Yes, there were Japanese reparations as well as German reparations. They were pooled in one fund.

Mr. ORMISTON: They were pooled?

Mr. STROUD: Yes.

Mr. ORMISTON: Oh, I see. Can you recall just what the figure was?

Mr. STROUD: Roughly speaking, and, of course, in our case, besides the reparations, there were seized assets like shipping and money, the figures we have are around \$8 million Japanese, \$6 million from Europe. But then additional payments were made by the Japanese at the conclusion of the Peace Treaty at the end of the war, or at least the signing of the surrender. They did make a bit of money available to the Red Cross which was made available to the Canadian Government. The total amount, with interest, came to approximately \$15 million. I believe you will find it in the Ilsley Report.

Mr. CARTER: I have a few questions, Mr. Chairman. I was wondering if the Committee might not use more profitably the time we have by concentrating on these recommendations. There are eight of them and 3, 5 and 7 are enlarged by commentary.

I gather from your brief that your main concern is this fear of premature death and what is going to happen to the widows and children. That theme occurs over and over again throughout the brief. That is your main concern at this time. Is that correct?

Mr. HURD: We are concerned with the man's health as well; we are concerned with both.

Mr. CARTER: Your first recommendation is a review of the pensions of all Hong Kong veterans. You are taking the stand now that every Hong Kong veteran will be a pensioner. Is that it?

Mr. STROUD: No. These recommendations are from the original brief. There should be an amendment to the date in that page, following our recommendation for a brief dated, and it is printed as February 3; it should be December 3, 1963. It was an error in printing.

Mr. LYTTLE: Now, these recommendations were made at that time. We state further on that consideration was given to a number of the points and recommendations that we made at that time. Now, we are concerning ourselves and asking for consideration to be given to the ones that have not been dealt with and then, of course, we go on to deal with recommendation Number 3, recommendation Number 5 and Number 7.

Mr. CARTER: So as far as Number 1 is concerned, that has been taken care of?

Mr. LYTTLE: The ones that are not mentioned later, we feel have been dealt with, and given fair consideration. We are now asking consideration for the remainder.

Mr. CARTER: I think in the previous hearing the Chairman of the Pension Commission told us that following receipt of the report, they are carrying out a review of all the files.

Mr. LYTLE: This is correct.

Mr. CARTER: So that will only include those who are now receiving pensions and the claims of widows of deceased veterans.

Mr. LYTLE: Correct. That is why we have not included it in here now, sir. We have commenced with number 3. The review of files is taking place.

Mr. CARTER: Now then, this number 2, has been taken care of also, revival of the survey started in 1950, this has been taken care of too. This survey has culminated in Dr. Richardson's survey?

Mr. LYTLE: One complements the other.

Mr. CARTER: Now, that has all been taken care of? Number 3 is the one you feel that has not been taken care of, the supplying of glasses and dental care?

Mr. LYTLE: And the pensionable rate for dental diseases.

Mr. CARTER: Yes. I was interested in your comments on number 3, because if I understand what you are saying there it is that now that Dr. Richardson's survey has brought attention to these dental disabilities, abnormal disabilities suffered by Hong Kong veterans, the fact that they have these dental disabilities may have led to other conditions which could have caused death; and since this dental disability is a service connected disability, therefore, there are many pensioners' widows who have been refused pensions which should now be revised on that ground, too; that the death of the veteran was due to a condition related to his dental disability. Is that right?

Mr. DELBRIDGE: That is quite true, Mr. Carter.

Mr. CARTER: So, number 4, deals with the study of beri-beri, palagra, dysentery and so on. How much of this has been taken care of? Has this all been taken care of?

Mr. LYTLE: It is being considered now in the review of files. That is why we have not repeated that request. It is now undergoing revision in the study of the files as well.

Mr. CARTER: And this number 5 is a new one that is being referred to. In other words, you are saying every Hong Kong patient or every Hong Kong veteran should get a minimum of 50 per cent, anybody who applies?

Mr. LYTLE: On the basis of avitaminosis, sir?

Mr. CARTER: Yes.

Mr. LYTLE: We feel that anybody who is pensioned for avitaminosis that there should be a basic minimum pension rate of 50 per cent and more if the disability indicates he requires it.

Mr. CARTER: It was my understanding that practically every Hong Kong prisoner suffered from it; that it was one of their main disabilities. So, if you are taking avitaminosis, you are taking practically everybody, are you not?

Mr. LYTLE: Yes, practically. But at the present time some of them are receiving a disability of 10 per cent for this.

Mr. CARTER: Oh, yes.

Mr. LYTLE: In varying amounts but not necessarily—

Mr. CARTER: But in effect, what you are asking for practically, with possibly a few exceptions, is that every Hong Kong prisoner get a minimum of 50 per cent.

Mr. LYTLE: Generally speaking, sir.

Mr. CARTER: As you explain later, that does not mean as much expenditure-wise as it sounds because some are getting 30, some are getting 40, some 10, so you are only just bringing it up to that. You want a blanket regulation. I think you referred to a change in the act or some legislation. I do not think it is necessary. The Pension Commission themselves have the power, I think, to make that regulation, if they wish, without special legislation.

Mr. STROUD: This is why we want legislation to put it into the Pension Act rather than depending on the commission to have the power. We would rather see it in the act, it is a matter of right when it is written into the act. The reason that we came to the 50 per cent was the fact that we felt it should be along the same basis as tuberculosis, say. When we came back we should have been a 100 per cent pensioner because we were all in the same condition and as the conditions improved we were reduced until it was a minimum of 50 per cent.

Mr. CARTER: And then, number 6—

Mr. HURD: One time I was having an interview with a very high official of the Pension Commission and he said that we could not ever get what we need without legislation. So, that is why we appeal to hon. members of the House of Commons now to see what they can do. I think it will have to be legislation.

Mr. CARTER: It has been brought to my attention by Mr. Standish that actually the wording is every ex-Japanese POW rather than Hong Kong veterans, because their—

Mr. STANDISH: We have approximately 20 Canadians who were prisoners otherwise at Hong Kong, 25 I believe, who were at Singapore, eight Canadian flyers.

Mr. CARTER: But they were prisoners of the Japanese.

Mr. STANDISH: We consider that Hong Kong and, I understand, so does the Department.

Mr. CARTER: Yes. I think that for the purposes of this Committee, we are so used to using the phrase "Hong Kong" that when we say—I do not think there is any distinction in our minds either.

Well, now, number 6, this annual increase of 5 per cent. That means that a person getting 50 per cent will then next year get 55 and 60 until he goes up to where?

Mr. DELBRIDGE: One hundred per cent.

Mr. CARTER: There is a regulation in effect now which takes care of certain—I am not sure if it is general—groups that automatically go up 5 per cent.

Mr. DELBRIDGE: War amps.

Mr. CARTER: War amps were one but I think there may be others too; or possibly it happens after a certain age.

Mr. HERRIDGE: Mr. Chairman, could Dr. Richardson inform us on that point?

The CHAIRMAN: Dr. Richardson, could you move to the front? There might be the odd question coming to you. I do not want to put you on the spot but it would be useful to the Committee if you could reply.

Dr. RICHARDSON: Mr. Chairman, you asked about automatic increase in the rate of pension in special cases. In the case of veterans who have a disability resulting from action with the enemy, which disability is assessed at 50 per cent or more and appears to be permanent, there is a provision for automatic increases to a maximum of 80 per cent commencing at age 55 with a further increase at 57 and 59. It is only disabilities resulting from action with the enemy which are subject to this automatic increase with age. This includes mainly gunshot wounds and the results of battle accidents in the face of the enemy.

The CHAIRMAN: Does that reply to your question or did you hear?

Mr. CARTER: I did not quite hear, I did not quite catch the first part of his reply, in fact, all of it.

Dr. RICHARDSON: I am sorry, I am in the middle and I cannot talk both ways. In cases of veterans who have a disability resulting from action with the enemy such as a gunshot wound or a battle action occurring in a zone of hostilities. If the disability is assessed at 50 per cent and is apparently permanent, stationary, there is a provision for automatic increase in the rate of pension at ages 55, 57 and 59 to a maximum of 80 per cent. A wound, for example, which is assessed at 50 per cent would be increased successively to 60, 70 and 80 per cent at ages 55, 57, and 59.

● (11.15 a.m.)

Apart from those disabilities which are the result of direct action with the enemy, there is no provision for automatic increase in the rate of the pension with the increase in age.

Mr. CARTER: In other words, it has to be a gunshot wound?

Mr. RICHARDSON: It has to be the result of action with the enemy, a gunshot wound or a battle accident or a vehicle rolling into a shell hole, something of that sort.

Mr. CARTER: Yes. Well, this would be a little different from what you are asking for now, a variation, or possibly an extension of the principle that has already been adopted?

Mr. HERRIDGE: You mean the extension of the principle.

Mr. CARTER: Now, number 7, "that all Hong Kong prisoners be given complete treatment entitlement." I gather what you are asking for there is complete medical treatment for any condition whatsoever, on the basis that all your troubles from here on are service connected. Is that correct?

Mr. RICHARDSON: That is correct.

Mr. HERRIDGE: I think it would be wise to get the information and facts on this question from the Canadian Pension Commission.

The CHAIRMAN: Can you comment on this doctor?

Dr. RICHARDSON: The question is a rather involved one. There are many disabilities which occur following military service from identifiable causes. A person is injured while in employment and the cost of the treatment is borne under workmen's compensation legislation. A person is injured in a vehicle accident and the usual arrangements through insurance companies or by action in law courts provide for the cost of treatment. People acquire disease owing either to infection or to the degenerative changes associated with increasing age and the cost of treatment for such conditions is normally borne by the individual or under any medical insurance scheme to which he may subscribe. So, that people who in their 60's, 70's or 80's develop heart disease or cancer normally pay for their own treatment.

The request that has been submitted to the Committee, as I understand it, would authorize treatment of all such conditions at departmental expense. I do not know whether I should say any more about this unless you have a specific question to put to me.

Mr. CARTER: Yes. I do not want to take too much time because I think I have had more than my share. If other members want to ask questions I will pass, but if not, I am prepared to carry on.

The CHAIRMAN: I think you might carry on, and others can follow. We have this afternoon anyway.

Mr. CARTER: To come back to one of the main concerns, what is going to happen to the wife and children if the veteran dies prematurely? Have you any figures you can give the Committee on how many widows are getting widows' allowance from the War Veterans Allowance Board. You all have service and the widows of Hong Kong veterans would be qualified as far as the service is concerned.

Mr. DELBRIDGE: As I understand, the way it is set up by the Canadian Pension Act, if the widow is able to work she is not qualified for widows' allowance. She has to have a doctor's certificate claiming that she cannot work.

Mr. CARTER: She has to be a certain age as well.

Mr. DELBRIDGE: That is right.

Mr. CARTER: But, if she has children?

Mr. DELBRIDGE: She still has to go out and work, if she is able to work.

Mr. CARTER: And support the children?

Mr. DELBRIDGE: And support the children, yes.

Mr. STROUD: This has been one of our problems because more of our chaps are dying prematurely, and of course the wife is not qualified for this allowance you are referring to.

Mr. MACRAE: Mr. Chairman, there is a very slight confusion. I think Mr. Delbridge at the beginning of his remark mentioned the Pension Act. You do not mean that at all, you mean the War Veterans' Allowance Act. Because, you see, there is a very great basic difference between the Pension Act and the position of a widow whose husband is getting 50 per cent under the Pension Act and the position of a widow whose husband was in receipt of war veterans' allowance. I think you must make a difference.

Mr. DELBRIDGE: I apologize.

Mr. CARTER: In section 25 of your brief you make reference to the Pension Commission awarding pensions on a compassionate basis. Have you any comment to make on that, and what your experience has been in getting widows' pensions or even veterans' pensions under that section? I notice in your brief to Mr. Woods you mentioned this but you did not seem to elaborate on it very much.

Mr. STROUD: Well, I think one of the reasons we added it is the fact that we have not enough medical data to back up our claim and we have no alternative but to refer to this other basis for the 50 per cent—

Mr. CARTER: Yes. You are asking for that compassionate consideration under section 25 on pretty much the same basis as you are asking for the free medical treatment as well?

Mr. STROUD: That is right.

Mr. CARTER: I was interested in the reference to autopsies in your brief to Mr. Justice Woods. You say, "the association is aware also of the provisions made in the United Kingdom"—it is on page 2 of the brief to Mr. Justice Woods. "The association also is aware of the provisions made in the United Kingdom under which an autopsy and investigation is carried out automatically when the death of a former member of the forces who was a prisoner of war in the Far East. In this respect our membership must once again consider that this procedure provides no comfort to the veteran while he is alive as he is still faced with the matter of uncertainty in regard to adequate provision to protect his widow and children in the event of death."

Perhaps I could ask Dr. Richardson again if he had any access to the results of these autopsies in the United Kingdom that were referred to in this brief when you were carrying out your survey?

Dr. RICHARDSON: No, I have not seen a comprehensive report on this subject.

Mr. CARTER: I understand that under our law an autopsy like this would require the permission of the veteran's family. Are you asking here for legislation that would make autopsies automatic in Canada, as they are in the United Kingdom. Do you have that in mind?

Mr. STROUD: No. We brought this observation out because as I understand it, some reference had been made to the Woods Committee that autopsies are being carried out in England on veterans, and that this is an automatic thing. We hate to say just why we brought this observation forward. It is no comfort to know that you are going to have legislation passed that will say we are going to have an autopsy after our death and the widow might receive a pension if the autopsy proves that his condition of death was related to his war service. That is why we referred back again as we have in order to let the veteran know he has this 50 per cent pension minimum. His wife is going to be automatically covered and again, of course, there would be no expense to the department for an autopsy to prove something for which there is no need.

● (11.30 a.m.)

Mr. CARTER: Do I understand from that that you are against this business of having autopsies like they have in England?

Mr. STROUD: Yes, we are.

Mr. CARTER: That is a point I wanted to be perfectly clear about.

Mr. KENNEDY: Is it not reasonable that perhaps autopsies performed after premature deaths might be of some benefit treatment-wise to those who are surviving?

Mr. STROUD: Yes. As a matter of fact when we sent out our newsletter some time ago to every Hong Kong veteran in Canada, we asked them to submit or state in their will, or to make known to their wives, that they would request an autopsy beyond death. This was for the benefit of departmental clinics. I think perhaps Dr. Richardson is probably clearer on this, but we have had some autopsies on some veterans who have died. We have notified Dr. Richardson that a Hong Kong veteran died at a certain hospital so that an autopsy could be available. We have done this in a number of cases. We have no objection actually to this if it will be of some benefit, but we hate to think that the only way we are going to get protection will be that when a veteran dies an autopsy is performed, perhaps they will find that at least death was attributed to war services. That is the only reason we are against autopsies as far as medical grounds are concerned. We have no objections with respect to research but we do object to the fact that he is going to have to die and he is still under 48 per cent maybe when he is given a pension.

Mr. MACRAE: Mr. Stroud mentioned a question the other day that I have had in mind for some time. Perhaps it would be Mr. Mann who could answer this question. How good are the records of the survivors of Hong Kong imprisonment? In other words, how many veterans are known to be alive—I think it is 1,205—but how many do we not know about? Perhaps this is kind of an argumentative question, but how many do we think we do not know about?

Mr. MANN: Do you mean how many Hong Kong veterans have we lost track of?

Mr. MACRAE: Yes, perhaps that would be a better way to put it.

Mr. MANN: Well, I did not think that there were more than 100.

Mr. MACRAE: But that is quite a number.

Mr. MANN: We learn of them, then we lose track of them for maybe four or five years and then we make contact with them again.

Mr. MACRAE: There could be a number of these dead, of course.

Mr. MANN: Oh, yes; but not too many, I do not think. I believe Dr. Richardson will agree with me that there may be one or two.

Dr. RICHARDSON: May I interject to say that I doubt there are more than 30 addresses unknown at the present time.

Mr. MACRAE: About 30?

Dr. RICHARDSON: I would doubt that there are more than 30.

Mr. DELBRIDGE: When we came to the war claims I believe we cut it down to three, did we not?

Mr. STANDISH: You can get them all except for two or three from the records.

Mr. MACRAE: You can get them all, practically, with the exception of maybe two or three.

Mr. TOLMIE: Mr. Chairman, as a new member of the Committee, it seems to me it has taken a long time—over 22 years—to resolve this question. Now, I gather from this brief that efforts have been made over these years and certain things have been gained. Is this more or less the culmination of your efforts, in particular this 48 per cent minimum demand, and what is your explanation or the long delay to make some decision with regard to what you consider is your legitimate pension claim?

Mr. STROUD: First of all, we ran into this with a lot of our chaps when we first came back. We were all of the impression that through proper medicine, foods, and so on we would be all right after a few weeks; at least that is what the doctors told us.

Some of us were examined coming home from Hong Kong and were also isolated in Victoria, British Columbia. We went through a series of medical checkups and they said this avitaminosis we had, such as swelling on the feet and other effects would disappear with a proper diet; we went along with this. However when we came back we sort of concentrated on other benefits such as war claims and claims for injuries as a result of the brutality we suffered at the hands of the Japanese. But then later on all these chaps were starting to have similar complaints across Canada. Fatiguability was noted by Hong Kong veterans in British Columbia and the same complaints were experienced by those in Quebec and Toronto. Therefore we realized there was something wrong here. This is when we started having a closer knit group amongst our association because these problems were arising, not only in Toronto, not only in Winnipeg, but also in Quebec and British Columbia. As a result, we started to write for some medical data. We started to receive some information from the United States. The Americans put on a couple of follow-up series including the one published in 1952 when they had a story on the prisoners of war held by the Japanese; and a number of doctors made reports. This is when we found out that these conditions were prevailing and that this was a peculiar thing. This is also when we realized that there definitely was something wrong.

Mr. TOLMIE: Well, what you are saying in effect is that it took a number of years to realize your possible harm and condition and then you started your representations?

Mr. STROUD: That is right.

Mr. TOLMIE: It is not a question of delay or reluctance on the part of the department concerned; it is just that the problems were not brought to their attention at an early date. Would that be a fair comment?

Mr. STROUD: Well, probably the department was taking a sort of cautious attitude when we came back to see how we would fit in. I gathered this impression from our moderate representations. Of course, Dr. Richardson reports that this "watch and wait" attitude definitely has not gone the way they had expected after we were put on proper diets because we are going downhill instead of improving.

Mr. HERRIDGE: Would you say it is a combination of lack of experience in this field plus the traditional caution of any department in approaching problems of this nature.

Mr. LYTTLE: Well, I think added to that is the problem that in order to prove a claim to the pension commission you have to substantiate it with solid medical data and this information was not always available to us to provide to the department. It has taken a number of years to accumulate this material to be able to present it as we are doing now. And, then, of course, the study by Dr. Richardson has proven, I think on some points, conclusively that the conditions do exist.

Mr. HERRIDGE: Your first major breakthrough was discovered by Dr. Richardson.

Mr. LYTTLE: Yes.

Mr. CARTER: I am just wondering if Dr. Richardson can tell us whether the medical interpretation—perhaps that is the best way I can put it—of avitaminosis has changed over the past 20 years. Has there been much research carried out in this respect and have medical findings increased on this particular condition over the last 20 years?

Dr. RICHARDSON: Yes, we know more about the residual effects than we did 20 years ago.

Mr. CARTER: So that 20 years ago it would not be considered a very serious condition; it would perhaps be considered something that would clear up once a fellow got back to his normal diet unless he was a very severe case. I know there were different degrees of ability to withstand this effect in each veteran, but normally, I suppose, it was understood that this condition was not too serious at that time?

Dr. RICHARDSON: It is correct to say that 20 years ago we expected more improvement than has occurred.

Mr. CARTER: But since then we have learned more about what we call the psychomatic and psychological effects of this condition.

There is a question I would like to ask you. I came across this term "precocious senescence" in the brief several times. I do not know what it means. Can you explain it to me.

Dr. RICHARDSON: Pre-aging would be the simple synonym.

Mr. CARTER: So it is a fancy word for pre-aging.

Dr. RICHARDSON: Yes.

The CHAIRMAN: Were you about to give an explanation, Mr. Standish?

Mr. STANDISH: One thing which I think Dr. Richardson will confirm is this, that we brought the question of alignment also through this department in 1948, which will go back to your question, I believe. The first major meeting of the Department of Veterans Affairs and the Hong Kong Association on avitaminosis was in 1948. At that time we requested a study on this subject. They were not requesting a pension, but they were requesting a study in 1948 of this whole question. so it goes back that far and this is the final report on it.

Mr. HERRIDGE: You got it in 1964. You approved of it, of course?

Mr. STANDISH: Yes, but that goes back to your question, "When did it start?" The year was 1948.

Mr. WEBB: I think it is only fair to say that since I have been on this Committee I have observed recently that Dr. Richardson has been very very sympathetic to the plight of the veterans.

The CHAIRMAN: Are there any more questions? Mr. Carter?

Mr. CARTER: I received the impression from your brief, where you tried to describe the things that caused this fear and anxiety of premature death, that you had actual cases where a Hong Kong veteran had seemed to be in fairly good health, there was nothing wrong with him, then all of a sudden something kicks off without any warning or any explanation and he finds out that there is something wrong with him. Has that actually happened?

Mr. HURD: I would like to quote the hon. member one example. This veteran, Mr. "X" we will say, was discharged from Queen Mary's hospital and was apparently all right but he died on the way home. Does that answer your question?

Mr. CARTER: Yes. I was just wondering if the enlargement of our knowledge through the advancement of medical research could be attributable to avitaminosis? Is that one of the residual effects?

The CHAIRMAN: Can you answer that question, Dr. Richardson?

Dr. RICHARDSON: I must remind you that sudden unexpected death is by no means unknown among the general population of our country and our continent. There is a slight excess of such sudden deaths, I think, among the Hong Kong veteran group, although the total death rate among the Hong Kong group since 1950 has not been abnormal in comparison with the death rate among Canadian men of the same age. We must keep this in perspective. We must not spread more alarm and apprehension than is justified by the facts known to us. The total death rate since 1950 has not been significantly abnormal. Sudden deaths have occurred possibly slightly more than among the general population. This would be very hard to establish because we do not have accurate records of the numbers of sudden deaths among Canadian men in general.

Mr. CARTER: We have records of suicides, do we?

Mr. HURD: I have only seen one early case.

Mr. CARTER: Well, in cases of these sudden deaths, would an autopsy not be useful to discover whether he died of heart failure or some other cause?

Mr. STROUD: In reply to your earlier question, and the one you have now, I was thinking of one of the cases we were dealing with at the Toronto branch. The chap was single, he was a Hong Kong veteran, living in Lindsay, Ontario, which is some miles from Toronto. We do not see these chaps as much as we would like to. This particular case came to our attention because three sisters were involved in the burial of this Hong Kong veteran.

Now, going back over this chap's history, he had various complaints in 1945 when he was discharged, and he was re-examined in 1946 as we know it. He had avitaminosis, but he had no pension at the time. He was a strong looking

lad and was operating a bulldozer for a construction company. Then one day, without any reason or cause, he dropped dead right in front of the bulldozer. We were not aware of this, of course, because he was a non-pensioner. His sisters came to see us after he had been buried because they were concerned about the expense of the burial.

Mr. CARTER: Now, in all cases somebody has to give a certificate of the cause of death, do they not? In that particular case do you know what the cause of death was?

Mr. STROUD: Well, there was no autopsy. As I understand it, he died from a heart attack.

Mr. CARTER: It is assumed that he died from a heart attack?

Mr. STROUD: The doctor has to write in something; he cannot write it in accurately unless he has performed an autopsy. His death was attributed to a heart attack because he was dead when he hit the ground.

Mr. CARTER: I would like to ask Dr. Richardson another question. Would it be fair to assume that the conditions of the Hong Kong veterans—the two main causes—would be one, avitaminosis which deprives the body of essential elements, and would the other be stress?

Dr. RICHARDSON: In a broad sense, yes.

Mr. CARTER: I understand there has been a great deal of research in recent years about the effects of stress being the cause of all sorts of conditions that we perhaps normally would not think about—even heart trouble and cardio-vascular trouble as well?

Dr. RICHARDSON: There have been studies along these lines, but I would not care to try to summarize the results at this point; it is a rather complicated subject.

Mr. CARTER: Then you would only use the term "stress" in its broadest sense with respect to the Hong Kong veterans.

Dr. RICHARDSON: The stress of confinement in prison camps, the effects of apprehension of danger, ill health or death, the stress of labour and the stress of insufficient food and inadequate quality of food, are the non-specific stresses which we can recognize for this particular purpose in the word "stress".

Mr. CARTER: Well, they mentioned in their brief this stress and anxiety about what was happening to their families at home; they were not receiving any news about the progress of the war and, for all they knew, their families may have been in the hands of the enemy or something like that.

Mr. HURD: In many cases the families did not know for a year whether the prisoners were alive or dead. In one particular case a woman was told her son was dead; she drew money on the life insurance, and yet he was living.

Mr. CARTER: Well, I suppose that situation applied equally to both sides; that is, the families at home were undergoing the same kind of stress in that regard because they did not know what was happening to the veterans.

Mr. TOLMIE: On page 14, under No. (8), Neuro-Psychiatric conditions, there seems to be a difference of opinion as to the importance to be attached to

this. It says in the brief that Dr. Richardson states: "It is usually thought better not to stress the psychogenic aspects of symptoms unless doing so will facilitate treatment". Now, I gathered from the comments of the association that they take issue with this assessment and they feel that psychiatric symptomata should not be played down or concealed for the benefit of the patient if at the same time it is going to affect perhaps the amount of attention he would obtain. I was wondering if Dr. Richardson has any comment on this particular section (8)? I do not think you have the document before you, doctor.

Dr. RICHARDSON: No, but I know what you are getting at.

As far as we are concerned, psychiatric disabilities are being assessed at their fair value in our current study of the files of Hong Kong veterans. When I suggest that it is thought better not to stress the psychogenic aspects of symptoms, I am thinking of the effect on the patient himself. It is not always good treatment to stress to an individual that his symptoms at a particular moment are psychogenic. It may or may not be good treatment. This is something that we would prefer to leave to the treatment branch.

From the standpoint of publicity, the effects on the families of veterans and the effects on employers and potential employers, it would be very poor management indeed for us to stress the prevalence of psychogenic disorder among this group of veterans. Not only Hong Kong veterans, but all people in our society manage to live and carry on effective, useful lives despite worry, anxiety and tension. I would not like to have the impression spread abroad that because of anxiety and tension Hong Kong veterans are poor prospects for employment or for accepting responsibility. This would be unfair; it would have an adverse effect on their best interests. I would not be a party to stressing psychogenic symptoms if this might have an ill effect on the welfare of the group as a whole and on the peace of mind of their families.

As far as disabilities are concerned, I repeat, we are assessing psychiatric disability as we see it.

Mr. TOLMIE: What you are saying in effect, doctor, is that you are not publicizing it by making any special issues because this is best for the benefit of the patients themselves and for the benefit of the family. But at the same time this does not mean that you disregard these facts when you are taking the matter into consideration in assessing pensions.

Dr. RICHARDSON: That is correct.

Mr. HERRIDGE: I would like to say, Mr. Chairman, from a layman's point of view that I support what Dr. Richardson is saying. I do not know whether Dr. Richardson knows this gentleman, but Dr. Trevor Gibbons is a specialist in this field, and his advice is being sought by the United States government in respect of veterans who came from London to New York. He is very interested in this field and he informed me of the same opinion when I last met him, namely, he felt it was very damaging to create this further stress within the person concerned by telling him all the facts on occasions.

Mr. CARTER: Well, that leads me to ask a question on page 13, where, I gather, they are taking exception to a statement in Dr. Richardson's report that ex-Hong Kong P.O.W.'s belong to more organizations but showed less leader-

ship in them. It is No. (7). It says: "This Association considers this observation to be without foundation". What is your basis for that?

Mr. HURD: Well, perhaps what we are trying to say is that in our group we may have a number of veterans who are in an association; I suppose most of them are in the Hong Kong Veterans Association or the Canadian Legion on local levels. However, because of their lack of stamina or, we could say, their physical disabilities, they do not show any leadership because they just do not have the "go" to go with it.

Mr. CARTER: When I read that in the report I thought Dr. Richardson was making a case for you; that this was more evidence of some disability that you have received.

Mr. HURD: No. We are actually sort of clarifying it a little stronger in our own personal knowledge of our men. The fact is that they do belong to more organizations such as legions and the Hong Kong Association but definitely they do not show leadership because of their lack of stamina. This is another point which proves that the reasons for these veterans not taking part in leadership is because of their disabilities.

Mr. HERRIDGE: This does not apply to the officers before the Committee this morning.

Mr. CARTER: There is another point too, I think, where you do not put the same value on the report, as is indicated on page 4, referring to Dr. Richardson's report, where he says five per cent of the total—that is the total of the veterans' survey—denied having any disability resulting from their prisoner of war experience. I understand the sample was some 200 veterans.

Dr. RICHARDSON: One hundred Hong Kong veterans.

Mr. CARTER: So five per cent would be fine.

Mr. RICHARDSON: The five per cent was intended to apply to the total body of Hong Kong veterans; that is, the approximately 1,400 who came back from the Far East.

Mr. CARTER: Well, they agreed to say that this could be so, but if it is true it is probably because they had special status where they were imprisoned in officers' camps—there was some explanation for that.

Mr. HURD: I think I am the only one here who was sent to a British Officers' camp for two years. I was amongst 20 other Canadian officers consisting of colonels, majors and 16 captains.

Mr. HERRIDGE: Discrimination.

Mr. HURD: We thought so. We did not go out on working parties. I was oddly healthy at that time, you might say. A group of us worked very hard on the guards to supply extra food for everyone. We did not keep it ourselves, we put it in the kitchen and it was rationed out.

● (12.00 noon)

Mr. STROUD: I have been in contact with Colonel Giles of the Royal Marines, who has started a directory of all the officers who were in that camp. I do not have the exact figures, but from the figures he gave me of those who had

died, those who were unknown and those he knew were living, the proportion of deaths in that camp, I am sure, are just as high today as they are in the other camps. I do not know why. I was not one of them. Some of these officers did not get what you would describe as preferred treatment. They had wealthy Chinese friends on the outside who were sending in food and of course, their health would be better than the Canadians who had no friends on the outside. We were not there long enough. Our diet was not a bit better, generally speaking, than in the men's camp.

It is hard to know what is going on in all the camps all the time. The food and the treatment in all the camps in Japan was pretty rough. Which was the worst I do not think anyone could decide on. It was all bad. The Japanese considered we were the leaders of the country and they were extremely nasty to us, possibly more than they would be to one of the other ranks, in many cases. All ranks got beaten. This was the centre of what the Japs would call the intrigue that was going on. We were always escape-minded and that is why they were severe on us. They were more frightened of us I suppose or maybe they thought we were more intelligent than they were but we were not. I do not know why, but that is the way they looked at that situation. We were a bigger security risk and the discipline was very tough.

Mr. CARTER: You mean that the conditions in the officer's camps were just as severe as in the—

Mr. STROUD: It was just as severe I am sure. I was in each.

Mr. CARTER: Therefore, that would not be an explanation.

Mr. HURD: There would be one difference.

Mr. STROUD: I believe we referred to this earlier. If you read Dr. Richardson's report you will note it refers to those who reported for the medical examination. Many did so and about 5 per cent of the total had denied having any disabilities resulting from their present war experience.

Now, I had mentioned some of the officers by their own means came back and they denied going to any hospital. They had the right to go but they did not want to, because these people are wealthy in their own right and they preferred going back to their own physician, as I explained. I know of one case in that particular group—and another case is because of employment. They did not want to indicate to their employer that they had any disability. Therefore, they refused to disclose they had any disability. And then there is the other ones that just wanted to get away from Hong Kong veterans. They wanted to make their own way and they wanted nothing to do with our association or anything that would suggest they be called into hospital and perhaps be admitted. There were several like that.

The CHAIRMAN: Gentlemen, I would suggest that we could carry on with this discussion at 3.30, because our clerk has to go to a meeting on agriculture. Would you be agreeable to adjourn now and come back to this room at 3.30 this afternoon to continue the discussion?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: So, if any of the members of the Committee and the witnesses are available, we could walk to the parliamentary restaurant and have lunch together.

We will try to start as close to 3.30 as possible, but it all depends on what is happening in the House.

AFTERNOON SITTING

(Recorded by Electronic Apparatus)

TUESDAY, May 17, 1966.

● (3.30 p.m.)

The CHAIRMAN: Gentlemen, we have a quorum.

Before we proceed with the questioning, there are two things I would like to speak about. First, I would like to mention the presence here this afternoon of Mr. Donald Thompson, the Dominion Secretary of the Canadian Legion. He is the tall fellow in the rear. And, second, I would like to mention to you that the delegation from the Hong Kong Veterans Association do have to leave at 4.45 o'clock at the latest, and we hope we will have concluded our work before that time. I will give the floor to Mr. Carter who has been questioning the delegation. Are you ready, Mr. Carter?

Mr. CARTER: I had so much time this morning for questioning, Mr. Chairman, that I think I had better give someone else a chance.

The CHAIRMAN: Has anyone else got any questions to ask at this time? We covered the old brief going from one end to the other? Were you here when we covered the recommendations that Mr. Carter started on?

Mr. HARLEY: I would like to ask a few questions on that.

The CHAIRMAN: You may.

Mr. HARLEY: There are one or two interesting things I would like to refer to. First of all on page 10, one statement that is deserving of note. In the second paragraph it says,

In view of these figures, and in view of the overwhelming medical evidence concerning the high incidence of fatal diseases (including atherosclerosis and avitaminosis)—

Are you classifying avitaminosis as a fatal disease or are you using it as a grab bag to explain those cases of death where people died suddenly without any discernible cause?

Mr. STROUD: Of course, with respect to the number of deaths we had in the past we really do not know personally what they died of. As we say, some of these are in receipt of a pension of over 50 per cent which they had for avitaminosis and we assumed that they died from avitaminosis and this is, perhaps, the reason we stressed that word "avitaminosis". I would say we accept that across Canada. It is impossible for us to get all the medical data that is the cause of death other than what we hear from the immediate family. This is why we use that term.

Mr. HARLEY: I was going to ask a question concerning life insurance, which is referred to on page 12. Items 4 and 5 seem to contradict one another in a way. If the Hong Kong veteran is more concerned about his health than his life expectancy, why did he not buy more life insurance than his brothers? You would expect he would. Is this a financial consideration?

Mr. CHARLES BRADY (*Vice President, Quebec Branch, Hong Kong Veterans Association of Canada*): The buying of insurance is a personal thing. Prior to the war I had a small policy and it was in force when I came back; my father kept it going for me, so when I came back to Canada I carried it on. When I got married I increased it without a medical owing to the fact the chap who sold me the insurance in the first place happened to be the manager of the place. As my family increased, I got increased insurance protection and all this time I had no medical. About three years ago I asked for extra protection. The manager said it was out of his hands and he would have to give me a medical. I ran a medical this time and it turned out completely unfavourable. That first medical, as far as insurance goes; it was from an independent company.

Mr. HARLEY: You are suggesting the reason for that it that you could not get insurance.

Mr. BRADY: That is right. Prior to that I got it; added protection was just furnished, and this was given without a medical. I had that experience.

Mr. HARLEY: Because you had been a Hong Kong veteran?

Mr. BRADY: Right.

Do you suppose this is the general attitude of insurance companies?

● (3.45 p.m.)

Mr. MACRAE: Perhaps Mr. Stroud can throw some light on this.

Mr. STROUD: If I may just elaborate on it; we have inspectors in our own Association and it repeatedly came to our attention that these chaps were applying, they seemed to go through a medical and, without any word from the insurance companies, they just cancelled their application.

I went through the same thing myself in 1946. I went to a doctor specified by the insurance company and they said "fine", and I put in for \$10,000 insurance which, at that time, was a lot of insurance. Today it is considered small. But, it went through and the next step was that I had to make a \$50.00 down payment towards the first four months premium. Then all I got back was a letter saying I had been turned down and returning my cheque. I could not even find out from the doctor then why I was turned down. This is a specific example.

Mr. ORMISTON: I gather then that this is not unique.

Mr. KRAVINCHUK: I have a son who is manager of the New York Life Insurance in Calgary. I wanted to take out some insurance for myself. I went to a doctor and I wanted \$20,000 insurance. I was flatly turned down because I was in the Far East Asian war. This is the general attitude of a big company like the New York Life. The only insurance I can obtain is through the Department of Veterans Affairs but it is not for veterans. The only insurance that is good is after my death.

Mr. HERRIDGE: While we are on this point before other members ask further questions. I would like Dr. Richardson to tell us of his knowledge and experience in relation to the subject we are now discussing.

Dr. H. J. RICHARDSON (*Canadian Pension Commission*): Mr. Chairman, in the course of my studies of the problems of the Hong Kong veterans, I was in touch with the medical director of two large life insurance companies having offices in Canada. I was informed by them that there was no general policy of discrimination against prisoners of war in the far east, that applications were dealt with on their individual merit. And, as I indicated in the report, I did in addition seek advice from an actuary before publishing data on the mortality rate among Hong Kong veterans to determine whether the mortality rate might have an adverse effect on the insurability of Hong Kong veterans. The opinion I was given, which I cannot say was authoritative but certainly was an informed opinion, was that the statistics would be very unlikely to have an adverse effect on the insurability of Hong Kong veterans. I did not canvass other life insurance companies.

Mr. MADILL: If you work in a place where there is a group insurance plan and there are over 15 employees, you automatically go on without getting a medical evidence. When you terminate your job there, you have 30 days in which to convert that term insurance into permanent insurance. If you want to build up your insurance, work a few places and you build up your insurance.

Mr. FANE: May I just say that the situation does not only refer to the Hong Kong veterans. When I came back from the first world war I was refused insurance by the same New York Life Insurance Company in Calgary. Eventually, I got some but they restricted it to \$5,000. I have never been able to get life insurance since.

Mr. HERRIDGE: Mr. Chairman, I have a question to ask. It is a long time since this subject was discussed and I think this information should be given in such a way that those persons who will read the record of these proceedings will know to some extent what we are talking about. I could suggest that three of these gentlemen present give their personal experiences briefly in respect of the questions mentioned on page nine, that is as to brutal forced slave labour, physical violence, starvation, lack of clothing and adequate shelter, so that those who read the record will understand what we are dealing with. It is a long story generally but I would ask three of the members present if they could not give their views right from their own personal experiences relating to the problems we are dealing with?

The CHAIRMAN: Briefly, you mean?

Mr. HERRIDGE: Briefly, yes, but I would not want to limit them too much.

Mr. FANE: Mr. Chairman, shall we finish with the insurance problem?

Mr. CHAIRMAN: Yes, if you do not mind, Mr. Herridge.

Mr. HERRIDGE: I will be delighted to.

Mr. CHAIRMAN: I think you go very much further in your question than the specific question on insurance, and I think we should permit that part of the discussion to end before we turn to your question.

Mr. ORMISTON: I think it should be on the record that some of our officials here have had experience with life insurance companies. Mr. Herridge wants to place on the record the experiences that some of these witnesses had in Hong Kong, but surely the public wants to understand some of the experiences that they had here in Canada too in respect of not being able to get insurance. I think some of those things should be on the record.

Mr. HERRIDGE: That would be part of it.

The CHAIRMAN: I am agreeable if the other members are agreeable.

Mr. BRADY: In my own particular case again, I talked to an insurance company, the name of which I will not mention and they told me that I could not get any insurance, I was turned down. So I got a photostatic copy of my application and sent it to Dr. Richardson of the Pension Commission for his records as further proof that these things do happen, and he has it on file.

Mr. MADILL: I think you will find it is pretty general with most companies that up to age 35 you can get up to a maximum of \$5,000 worth of insurance without having a medical examination. But you must produce medical evidence that you are eligible and then they can ask you to have a medical examination. However, as I say, normally, with most companies, up to the age of 35, you can get a maximum of \$5,000 without having a medical. I think this is fairly standard all across Canada.

Mr. STROUD: With respect to group insurance, we had an experience last year when Toronto played host to the national convention and the subject came up that we were a poor insurance risk. I was approached myself by an insurance company in Toronto with respect to insurance. However, when I suggested to the insurance companies that we should have a Hong Kong group on insurance, they would not go for any part of it.

Mr. MADILL: You have to make sure you pick up your right to convert when you change your job. This is one way you can build it. If you really want insurance you can get it.

Mr. BRADY: Yes, but you have to change your job.

Mr. MADILL: That is all right. If you want insurance badly enough you can get it in that way.

Mr. MANCHESTER (*President, British Columbia Branch, The Hong Kong Veterans Association of Canada*): Mr. Chairman, the issue was not whether we wanted insurance or not; it was a case of whether our brothers had more insurance or could get more insurance than we could. We were speaking in terms of \$20,000 and \$30,000. You were speaking in terms of \$5,000.

Mr. MADILL: No, I am not.

Mr. MANCHESTER: You are suggesting that we must continually change our employment which is ridiculous. Did you ever go into a group of veterans and try to sell them insurance?

Mr. MADILL: No, I never have.

Mr. MANCHESTER: Well, I have and it is kind of dissipating. There are ways and means of getting insurance, if you know about them. I am just passing on this information for those who might want it.

Mr. MADILL: That is the way I bought all my insurance—each year I buy another \$5,000 policy. This is the only way I can build it up.

Mr. BRADY: Mr. Chairman, when a fellow works for a company, he cannot change his job every three or four years merely for the purpose of increasing his insurance.

The CHAIRMAN: One moment please. Would you try to get closer to the microphone when you speak, otherwise it may be difficult to hear what has been said on the machine. You might come closer to the table.

Mr. BRADY: The last statement I made was that I do not think any company would tolerate an employee changing his job just to get his insurance increased, and telling the company he will be back in two years, after he gets what he wants. This would involve going back and forth from one company to another.

Mr. MADILL: There are ways and means of getting insurance if you really want it badly enough. I am just telling you, for your own benefit, a way that you can do it, if you want it badly enough.

Mr. CARTER: I only have one question on this. Do you have any figures to show how many of your organizations have taken advantage of the Veterans Insurance Plan?

Mr. DELBRIDGE: No, we have no figures available on this Plan.

Mr. CARTER: Can you not receive up to \$10,000? As you say, it is only protection; it is not an investment. However, if one is worried about his wife and family—

Mr. HARLEY: Perhaps we could ask Dr. Richardson how many \$10,000 DVA insurance policies a Hong Kong veteran can acquire?

Dr. RICHARDSON: I do not think this information is published in the report. We made inquiries, but we had difficulty getting a definite answer from a number of people. I do not think I can make an accurate statement on this question.

Mr. CARTER: This is something which is worth being promoted by your organizations, that is to make what use you can of the veterans' plan.

Mr. DELBRIDGE: We have done this through newsletters which have gone out to the branches. We have suggested that members take out veterans' insurance. They can make inquiries at their local DVA offices for information.

The CHAIRMAN: Shall we proceed now with the question brought up by Mr. Herridge, namely that we should ask three members present to relate their experiences?

Mr. DELBRIDGE: I would like Mr. Ashton, Mr. Manchester and Mr. Standish to give their personal experiences.

The CHAIRMAN: I will call upon Mr. Ashton first.

Mr. ASHTON: Gentlemen, I do not know whether it was Confucius, but one of those great Oriental gentlemen once said that a picture is worth a thousand words. I would like to show you pictures of some of the huts we stayed in when we were first interned. Those wooden shacks were constructed out of shiplap, as

we call it, which was perhaps one eighth of an inch thick. You would use this wood here for an orange crate. These shacks would go up over a concrete floor. Three of my buddies and I were most fortunate in having two blankets between us. This type of a shack is a very unsuitable accommodation for beasts, let alone men. We went up to Camp 3-D in Japan which was a brand new camp—

Mr. HERRIDGE: Where was this?

Mr. ASHTON: This was just outside of Tokyo. At that time we were working in the shipyards. The huts there were brand new, but they were full of sand fleas and lice. In the wintertime the snow blew right through the shiplap, of course, and no-one wanted to sleep next to the wall because in the morning you had to shovel your way out of bed. Then we were given four blankets each which were made out of woodpulp. When these blankets had been used for about a week the cotton threads that held the woodpulp together started to pull apart and, of course, the air and anything else that happened to be passing that way came right through. So much for the accommodation.

When Sergeant John Payne and three of his comrades escaped from North Point Camp physical violence of a very, very subtle nature was administered to us. We were called on parade at four o'clock the night after the escape. We were still standing there at five o'clock the following evening. We had to stand at attention. There was no standing easy, no moving, no talking, no nothing—just standing there rigidly at attention all night long, right into the next day.

Another instance I can relate is in connection with working in an iron mine. I was mucking out a drain, as we would say here, in the mines and one of the Japanese foremen came along and did not like the way I was doing it. So while I was bent over this little so-and-so slapped me on the face, screamed at me and jumped up and down. As I bent over to continue cleaning the drain, he hit me again. He did it a fourth time and I chased him out of the mine with a shovel. That was the only experience I had with physical violence personally.

With respect to starvation, this was our way of life. We received a small ration of rice and some watery soup three times a day. We are all familiar with pigweed? I suggest you take a small handful some day, boil it in water, with no salt or other condiments, and boil up some rice very sloppily. That is what our three meals a day were. On this you were expected to work as a steelworker, as a mucker on a road gang, shovelling coal, everything that you can think of. All the hard physical labour that you could name we were doing to help the Nippon war effort on these rations. I think this is about all.

The CHAIRMAN: What about clothing?

● (4.00 p.m.)

Mr. ASHTON: I had a pair of pants that I wish I had been able to bring back. It would be most interesting. I had 15 layers of cloth. Not one of which was good. It was merely a series of patches and bits of thread or string; string was best because that is how it stuck together longer. And the more dirt on the pants, and oil, the better, because that kept the wind out. We were provided by the Japanese with one cotton jacket and one pair of pants and a cap, all made out of almost the same cheesecloth material, a little bit heavier cloth, but it was like cheesecloth. You could actually see through it. If you held the shirt up and held your hand behind it you could see your hand quite plainly. To this in the

wintertime they added a suit of underwear that consisted of a shirt and a pair of longjohns that tied at the wrists, at the ankles and at the waist. When the fleas got inside it kept you warm. But clothing was practically non-existent and my worst complaint was the boots. For four years I did not own a pair of boots. Working in the pay office, as I did, and running a night patrol, as I did, during the battle in Hong Kong, I had sacrificed my boots and the boots of my twelve men for sneakers so we would not be heard rushing around in the middle of the night. Naturally, when we were taken prisoners we had not time to go and get boots of any kind and I continued on for four years borrowing boots from various fellows who happened to be too sick to go out to work that day. At the end of the war there were several crates of boots dropped on us by a good American friend, and I mean dropped. They broke loose from the parachute and just plummeted to earth. You had to keep your head up at all times. You never knew when they were coming across with something. I got a pair of G.I. boots, and I am pleased to say they are still in good condition and I still use them for driving.

The CHAIRMAN: Mr. Manchester, would you proceed?

Mr. R. MANCHESTER (*President, B.C. Branch, Hong Kong Veterans Association*): Mr. Chairman and gentlemen, going back to 1941, I was taken prisoner at Wong nei Chong in Hong Kong on the 23rd of December. The Gap was known as one of the worst areas of fighting in Hong Kong at that time. At the time of capture we were stripped of all of our belongings and marched across the island to the first camp. We never did regain any formal type of uniform. Eventually, after spending a considerable period of time in Hong Kong in the camp and working on the work projects allotted to us in the camp, we were drafted to Japan and travelled by a coastal steamer, 500 men in all, 250 in the forward hold and 250 in the aft hold, which also accommodated the stores of coal for the particular packet boat which took us to Osaka. We entrained from Osaka to Neogata, Japan, which is 150 miles northwest of Tokyo on the Coast of Japan, 500 miles as the crow flies from Vladivostok. We arrived in this area in mid-October of 1942, and were immediately housed in clapboard shacks which had been hurriedly prepared for the prisoners who were arriving. There were three details in this camp: minetsu, shintetsu and wrinkle. Wrinkle was the coal gang, shintetsu was the steel gang, and minetsu was the dock gang. Our first day at labour was with the coal gang at wrinkle. After marching for five miles to the coal box we were subjected to unloading coal boats in our bare feet. The reason why we were deprived of our footwear was the fact that the Japanese considered it was a fire hazard if the men wore any form of boots in the hold which would create sparks and consequently set the coal on fire. These types of experiences were prevalent throughout the remainder of our stay in Neogata camp and this was considered to be one of the worst areas of the Japanese labour camps. With respect to the physical violence, being a large person I was subjected to quite a number of indignities by the Japanese. The first occurred in Shasabo camp shortly after our imprisonment there when our Canadian compatriot who had gone over to the Japanese, Inaway by name, knocked me unconscious while waiting for parade, owing to the fact that I had refused to stand at attention or had appeared to refuse to stand at attention while he was talking with me. This continued, of course, in Japan and fortunately for myself

I was in charge of the group of Canadians in the camp, and I was not subjected to the beatings which some of my men underwent. We had two men whom I am sure you gentlemen have heard reports on previously on other matters, and they are Mortimer and Pitman. Mortimer was the man who was staked out and died from starvation and gangrene. Pitman was also brutally murdered in the camp area by the Japanese after being staked out in the same manner as Mortimer. These men were not given any consideration, nor were we given any consideration in attempting to relieve their illness or their condition after they had been placed in this condition.

Clothing. When we arrived in Japan we had some Canadian battledress which we had picked up prior to leaving Hong Kong on draft. A month after arriving, which was in November, in 1942, a draft of Americans came in from the Philippines. They were in tropical dress. The Japanese then stripped us of our winter battledress and other clothing which was of woollen nature and turned this over to the Americans, and the Canadians were issued with Japanese quilted uniforms.

Again I want to point out that I am a large person and I was required to wear the uniform of a Japanese soldier of five foot four inches or so on a six foot one frame, and I was a ridiculous sight I must admit.

Food and shelter were of the essence of what we called congee. It was a slopped up stewed rice with green carrot tops and beet tops and sweet potato tops which the Japanese forced us to grow during the summer months and in the fall we would pull this harvest—when I say we, these were the men who would remain in camp too ill to do the usual work—they were strung up, dried, put down and salted and this was our winter food along with our rice. The first winter that we were in Neagata we had a storm and weather conditions up there are inclement in that it is similar to the prairie conditions in Canada, and we had seven feet of snow on the level. On the New Year's eve of 1942-43, one of our huts, similar to the one shown at North Point, collapsed. Sixteen men were killed in this one particular instance. The Japanese felt that this was a state of war and they did not intend to improve the conditions of the housing or the clothing, and it was not until late in 1945 that they did start to trickle in a few bits of clothing which had come by way of Red Cross. The Red Cross parcels, as I know them, were packed by the people in Canada at the rate of at least 5,000 a week, and they were slated for the Far East. We received in Neagata over the period of our internment there an average of $3\frac{1}{2}$ parcels per man, and they were received only after the Japanese had pilfered what they required for their own use. This could go on for a good long period of time, gentlemen. However, the conditions of our living continued right through until September of 1945, when our first notice of liberation or notice that the war had ended was brought to us. At the early part of September, 1945, we received our first ration of any description from the American planes which dropped Red Cross supplies to us.

The CHAIRMAN: Mr. Standish, will you proceed?

Mr. COLIN STANDISH (*Director Quebec Branch, Hong Kong Veterans Association*): I was the camp commandant of two camps in Japan, Toyanna, and Nagoya, and I also was the Canadian in charge of the ship listed in Appendix A, one of the appendices filed on which Doucet was murdered. With respect to

brutal force labour, we had to—we lived seven miles away from the factory—get up at four o'clock in the morning and get our men out. It would always be N.C.O.'s that took the orders from the Japanese. The Japanese gave no orders. They gave one order. You had to make your men obey the order. This was the hardest part of prison camp for the officer or N.C.O. in charge. You had to make your men obey, because no matter what, they did not fool. If one man escaped, they shot five. If one man misbehaved, they were brutal to five. If five men were bad there would be 25. There was no question, no answer. You did what you were told. You had to give the orders to your men to make them obey the fantastic orders of the Japanese, the fantastic work orders. This was the hard part of Hong Kong, or the hard part of being a prisoner.

We were sent to work on trains if an earthquake had not put the train out, or if a bomb had not got it. You have seen the cars from the first war, the men being forced in by bayonets and all. You cannot imagine how we got men into the cars in Japan. It was horrid. You put them in on the shoulders, and the last men got the bayonet, that was all there was to it. You were put into the car with bayonets. A car which should hold forty people we had to put in 100 or 125 every time. We got up at four o'clock in the morning and we got back at eight o'clock at night. We had one holiday a month provided that month had 31 days. If it had 30 days in it we worked 30 days. We were given 13 ounces of rice per day. We kept a record and we averaged out at 13 ounces of rice per day. When our average man came out of camp he weighed anywhere from 60 to 80 pounds. I weighed 81 pounds myself, and I was in good shape compared to most of the boys. Our labour consisted of building landing barges, locomotives and steam rollers all stuff for military personnel. With regard to the landing barges, I might say had Chrysler engines in, made in Canada. All the copper and nickel we used were stamped Nickel Company of Canada and the maple leaf on every bit of it. This is the goods we had for the Japanese.

The scrap iron we were cutting was Canadian scrap iron bought up before the war. These were the goods we had. There was one man always being beaten. You were lucky; the Japanese only picked on one man; you had only one man. All the Japanese picked on that one man, or one man out of the gang. They left the rest alone. You were tormented at all times with your inferiority. The Japanese have a mind of a seven year old child. They are worse than any of our beatniks. They were brought up to hate us. They had no conception of decency in any way. It is almost impossible to believe it but we moved a mountain in Hong Kong. All these boys; we moved a mountain at the airport by hand, in basket over our shoulders. You worked. The Japs came in at night and they told you how many men you had to send out the next morning. No matter how many men you had sick, you had to send them on that working party. If a man had a temperature of 102 or 103 he went on just the same. In Japan my orders were that unless a man had a temperature of 104 he had to go to work. The day a man went into the hospital we figured that he was done. When a man went to hospital the Japanese immediately cut his rations off. The only way that we could feed our men in hospital was by taking food from our men. When you have got men out working for 18 hours a day it is pretty hard to take what little they are getting already. This is the only way we could feed our men, in the hospital.

Physical violence. As I said before, somebody was being beaten continually. There had to be one beaten; the Japanese had their pleasure out of beating someone.

Starvation. We got 13 ounces per day. We kept records in Hong Kong. Our meat amounted to one teaspoonful per month. Our total meat consumption for the whole time we were incarcerated was one teaspoonful per month. This was what we averaged. When we got fish we got fishheads which were rotten and we made soup out of bone. I remember the first day we went to work in Japan there were snakes on the road. When we came home there were no snakes. We ate every one.

I remember one night a bomb falling and it hit a horse. There was none of that meat left. You never saw the meat. It disappeared while the planes were still going over home. We were issued—I should say I had the same pair of shoes and the same pair of stockings on when I left that I had on when I went to Japan. You kept your shoes for when you had a forced march. There was no other way.

The Canadians were probably luckiest in losses of life of any of our people. Most of our people came from the farm. We were farmers and we were fishermen. We had the Gaspé boys and the North Shore boys, the eastern townships, and the westerners. Most of us came from the country. It had not been for the stamina we had, I do not think you would have seen any of us back here. When the war finished I am sure that we could not have lasted another two weeks; we were finished. We had no food. We had no life. Everybody had fever. Practically every man had malaria or what was not called malaria was called fever. Nobody knew what kind of fever it was. We all had symptoms of it. We had the worst of it, the low temperatures. In this case of Doucet we speak of here, we were loaded on that ship in Hong Kong. Two of the boys here were with me on the ship, I was the Canadian in charge, we loaded the ship with scrap iron. They got the hold just as full as they dare and they loaded us in. You could not sit up; you could not stand up, and you could not lie down. We had one latrine for the whole ship up on top. We had food for six days. We got out of Hong Kong and we hit a storm. We lost our food after three days. We were 26 days on the ship for the trip. We got to Taiwan, which is Formosa, and the ship rolled over. We got off just in time. We got on shore and the ship rolled right over; it was loaded so heavily with scrap iron it was leaking, the water was up among us. There was no food, and we lost a lot of men. We got to Japan. Nobody inspected us, but we were 26 days late, or 20 days late. We got there in a snow storm with summer shorts on and a shirt, if we had that much. We stood 24 hours on a platform in a howling snowstorm, with no food and we had not had any food—you lose a lot of men, and you carry a lot of men. We were marched—I lost quite a few of my boys to different camps—for two days before we got to our permanent place. They did give us food on the march, wet rice, et cetera, but it took us two days through snow before we got in there.

It is almost impossible to tell you what a prison camp is or what conditions you had to bear. No movie, there are just no conditions—

The CHAIRMAN: No relaxation.

Mr. MANCHESTER: That was probably the hardest thing of all; there was no relaxation. You never discussed—the last thing you ever discussed in prison

camp was a woman, or sex matters. There is only one thing you had in your mind and that was food and water and that is it. We worry about food. We worry about being cold again, we never want to see it. We are scared. There is just no conception of the thought of not having food; and the thought of your children and your wife not having food.

An hon. MEMBER: What about water?

Mr. MANCHESTER: We could have any water we could get. If you could get it in the ditch, you got it. All the water was taken. As you know, all the fertilizer used over there is human. The stink of the Far East—if you ever go to the Far East once you know when you are coming to it. We lived in that. All you smelled was waste. Your whole barracks was full of it; everything had to go into huge metal tanks and we were forced to take that stuff out. We had to detail so many men every day to clean those tanks and put it on the land. This is the food we ate, grown in that. The water was hardly any better. We very seldom ever got any water. In Hong Kong we did not even have water to drink in the prison camp. We were drinking water out of the river. Nothing but bodies floating in there, and I believe we had water one hour a day, or something. It was pretty low. It is a wonder we did not all die of dysentery. In our dysentery hospital in Hong Kong you laid your men on stretchers and you hoped that the water did not come over them. You put them up on bricks and excrement and everything were all over the water and most of our men were in six or eight inches of water on top of that, and the rats were running and swimming there. We had man after man, after man whose nose was eaten off, his ear was eaten off, his toe was eaten off. You did not feel it. Your toes were dead; your feet were dead. We even had men sleeping on cement, on a cement floor. You were supposed to get two blankets for three men. I had one blanket for two men. With respect to the living space in the camp I was in charge of, I was given 22 inches for an ordinary man five feet tall. I am over five feet, yet my length was five feet and I was given 22 inches high. And you had the men in tiers. There were 50 men to a tier. Fifty feet long and three to four high, and you were given four feet high; 22 inches wide. Even in Hong Kong where we had British-type huts we had them three or four feet high. We were lucky we could find some bags; but when you got to lay on something you had to bend them. The bedbugs were nicer to the boys compared to the fleas. They could not put us into an air raid shelter. We would not go into air raid shelters because of the fleas. We could not stand it. We preferred to stay up for the bombs any day rather than get in an air raid shelter with the fleas. Those were the conditions we lived under.

The CHAIRMAN: Thank you.

Mr. Carter would you proceed?

Mr. CARTER: I wonder if somebody used the term "staked out", I did not quite get the picture of what was meant by that. I wonder if you could explain it.

Mr. MANCHESTER: I used the expression staked out. In the camp there were two prisoners, one was a Canadian by the name of Mortimer and the other was an American prisoner by the name of Titman. Both of these men were accused of some crime, fictitious as it was proved out, and in both instances these men

were stripped of their clothing with the exception of tropical shorts and a shirt. Their hands were tied behind their backs, there was a stake driven into the ground in the compound of the camp, a length of rope was attached to the stake of some four feet, which was attached to the tied hands of the prisoner, and he was left there without food or water. In Mortimer's case he was left for a period of four days, and in the case of Titman he was left two days before he was brutally beaten by the Japanese guard and died in the hut of the guardroom. That is what is meant by staked out, sir.

The CHAIRMAN: Any other questions on the report?

Mr. CARTER: I have two or three questions on the brief. On page 11, you say:

If, at that time, the Hong Kong P.O.W.'s had been examined for pension purposes they would have carried a very high assessment.

That was when you were discharged. Well, I look at your picture over here, at the bottom and all these emaciated people—veterans—could you not get an examination? Do you mean to say you were not put in a category? What happened to you when you were discharged?

Mr. MANCHESTER: Mr. Chairman, in reply to the member's question I would like to say this. When these prisoners returned to Canada they were brought back at various stages by various conveyances supplied by the Canadian government, the British government and the American government, mainly the American government. From time to time they were stopped off at Yokohama, Guam, Manilla, Honolulu, and eventually in San Francisco, Victoria, British Columbia, until they arrived at their homes in western Canada or eastern Canada. They were given some form of quick medical examination and passed on to the next stage. Those severe cases were brought back as stretcher cases, or hospital cases. Those who could manipulate, or navigate, I should say, were permitted to proceed with the understanding that when they arrived in Canada they would be formally examined through the medical centres across Canada. There is no question in our minds that we did receive treatment and services entitlement when we came through in that each man at certain intervals during the course of our demobilization did go through the Department of Veterans Affairs Hospital for examination and treatment.

Now, I would like to say that no one, and I repeat, that no one seemed to know exactly what had happened or what was going to happen. Someone asked about this term avitaminosis, and I am quite sure that the reason why this was picked out was to encompass and to cover over, blanket over, the total disability of the Hong Kong veteran when he arrived in Canada after his imprisonment. This was the best term which they could use which would give some blanket coverage for the men as they were going through their treatment. These men were anxious to return to their civilian life. Many had jobs to return to; many had families which they had not seen; young children who had never been seen by them prior to their return home. They had no knowledge that they had families, in some cases. They were anxious to get through as quickly as possible; return to a semblance of normal living in civilian life as quickly as possible, and, therefore, they went through these treatment centres as rapidly as they possibly could go.

This business of being hospitalized for additional months did not appeal to them. Of course, it is understandable that medical people, being the busy individuals which they are, realized that well, if you cannot wait around to be treated, then away you go and they let them go.

Now, no one actually knew what was going to happen to the Hong Kong veteran; and over the years things have progressed to the point where we have learned that certain conditions now appearing in the Hong Kong veteran could be perhaps attributed to his condition in camp. Medical science has progressed in the last 24 years to the point where they are recognizing more and more of the effects of conditions suffered by these men.

In speaking to your question, sir, we did have types of treatment, and this continued for some time. We are proud people, and in my own experience I took great exception to young inexperienced, in my opinion, interns who had never been outside a textbook trying to convince me that there was nothing wrong with me and that I did not have the condition which I claimed I had. As a result of this, most of us said if this is the way the Canadian people and the medical staff are going to approach us, well then, they can forget us and we will go our way. This is the way most of the men felt and this is what has happened—"Forget us and we will go our way." This is the way most of the men felt, and this is what has happened throughout the years.

● (4.30 p.m.)

Mr. CARTER: Eventually you got discharged from your unit?

Mr. MANCHESTER: Right.

Mr. CARTER: Now were you placed in any medical category, Category B, Category C, or any category at all?

Mr. MANCHESTER: For the most part they were categorized, yes.

Mr. CARTER: But that did not automatically entitle you to a pension?

Mr. MANCHESTER: Definitely not to my knowledge. I know it did not entitle me to any pension.

Mr. CARTER: Of course, I was not a Canadian at that time but my understanding was this. When a person serves and becomes disabled that is marked on his discharge papers, and usually if he is discharged as disabled then surely it follows that if this disability is attributable to war service he would be entitled to a pension. Does it mean you could not get a pension unless you applied no matter how bad you were?

Mr. MANCHESTER: That is right.

Mr. CARTER: Even if you had a leg shot off?

An hon. MEMBER: No, I would not say that.

Mr. CARTER: In other words, you were treated differently.

Mr. BRADY: You see, if you look at someone with avitaminosis you would not see it, physically.

Mr. CARTER: Yes, but anybody looking at this picture here would say that these people with the bones sticking out of them were not in a position to do any work, their livelihood, or anything, and questions would arise, what are they going to live on?

Mr. ASHTON: Mr. Chairman, I think I can explain this with my own personal experience. I left the prison camp in Japan weighing 79 pounds. My first meal consisted of six fried eggs, three pork steaks, a stack of toast, a bowl of porridge and stuff like that. I had no proper diet. You could eat all you wanted and if you threw it up, ok. It took practically a month for me to get back to Winnipeg. The day I arrived in Winnipeg I weighed 179 pounds. I was a physical specimen like you never saw anywhere. But, I was loaded with beri beri, which none of the doctors here are accustomed to. Some of them cannot even fathom to date that this happened. Now, this would explain why my discharge paper says, "Discharged on demobilization"—not medically unfit, or anything like that; just, "Discharged on demobilization." In other words, "the war is over; we do not need you back."

Mr. MACRAE: Mr. Chairman, if I could just help Mr. Carter for a moment because he brought something up of which I have some personal knowledge. First of all, at the end of the war, categories A, B, C and D, and so on were not used but, instead, Pulhems profile, P-U-L-I-I-E-M-S. But the specific point that I want to raise for you is that a man who is enlisted in the services, whether Pulhems or in the early part of the war in A category, would be, obviously, in perfect condition. That is the condition in which the army is supposed to enrol the men. It may be that they were all not discharged under Pulhems; but that did not automatically qualify them for a disability pension. In other words, it might be P3; it might be U2, the upper part of the body, and "L" is the lower limbs, and so on. "H" is his hearing; "E" is his eyes; "M" is his mental condition, and "S" is his stability. A man might be discharged with any different series of numbers under Pulhems, but that did not automatically qualify him for a pension at all. Now I think that is the point you were trying to make. Now, there have been many cases where men have gone in all one under Pulhems but have not come out all one. That is one of the things that the Legion has been fighting for years, of course. If there was nothing the matter with a man when he went in and there was obviously something the matter with him when he came out, then it obviously happened to him when he was in the service. However, there may be cases where that does not necessarily follow.

I do not know whether or not I have made myself clear.

Mr. HARLEY: You could go one step further and say that somebody had been released P-5, medically unfit, and still this does not entitle him to a pension—not necessarily; not at all. Just the fact that he is released for medical reasons does not mean he automatically receives a pension.

Mr. TOLMIE: Mr. Chairman, the point that Mr. Carter was making is that if the doctors had seen you as those pictures depict you then there would not be much question but that you would receive some kind of entitlement or pension. But the point you made was that when you arrived there you were a good healthy looking specimen which, perhaps, is unfortunate, in a sense.

Mr. Chairman, I was the first National President of the prisoners of war. When we came back from overseas, nobody knew what to do with us. We landed in Vancouver and were met by a doctor; we gave what reports we had from prison camps and we wanted to go home. We took it that somebody was going to look after us. Nobody from the Department of Veterans Affairs looked

after us. They wanted to get us out of the army as fast as they could. Unfortunately, our senior officer, who should have done it, did not do it. Nothing was done for the Hong Kong Veterans until we formed an association in 1948.

The CHAIRMAN: Gentlemen, there are three of the delegation that have to catch a plane and will have to leave immediately, but I am told that the other members might carry on with us. Mr. Delbridge, Mr. Lytle and Mr. Ashton have to catch a plane. I wish to express the gratitude of the Committee for your coming here and I do want to thank you. You may be assured that the members of the Committee will certainly benefit from the discussion we have had here today. Thank you for your presentation.

Mr. CARTER: Mr. Chairman, I am referring to page 16(11), where reference is made to a recommendation by Dr. Richardson that the mortality experience of this group—that is the group suffering from heart condition—be reviewed not later than 1970, and the comment on it indicates to me that they might have misunderstood what Dr. Richardson had in mind when he made that recommendation. I cannot see from the comment what a review of this group in 1970 would do for the protection of widows and children who might die in the interval because that is taken care of in another recommendation in another section. All these files are going to be reviewed now, so if anything happened to these between now and 1970 they would be taken care of, or the widows would be taken care of, by the results of the review that would be going on. If Dr. Richardson has something else in mind, perhaps he might elaborate.

The CHAIRMAN: Do you have any comments, doctor?

Dr. RICHARDSON: In my report on page 53 I observed that there was an excess number of observed deaths over predicted deaths from 1946 to 1949 and from 1950 to 1954. But for the years 1955 to 1964 the number of deaths was just about exactly what would have been predicted from the experience of Canadian men in general. Now, this means that an excess number of deaths among the Hong Kong veterans may or may not continue in future years. We do not know what the course of their mortality experience will be. I felt that this should be re-examined in approximately five years to provide an additional basis for determining what special action is required in the light of their mortality experience. It is possible that the death rate will fall below that of other Canadian men of the same age; it may rise considerably above the death rate of Canadian men of the same age. We do not have final answers to many questions in this report, or in medicine in general. We expect our understanding to grow with continued study, and this is one area in which I felt that further study in five years might well increase our understanding of the problems of Hong Kong Veterans and allow us to keep track of them more accurately.

Mr. STROUD: Actually, we commented on this because we were definitely against any further studies that, we thought, would hold up legislation of which we are concerned. Of course we had brought in our brief regarding protection for the wife and the children. Now, that would mean another four years, and they would say, "Well, we will have another look" which would bring it up to approximately six years. By that time a lot of our members would be in the 50 years of age minimum group. Perhaps it is all right to have a study made but we want legislation now for this protection in the meantime. We do not want to come back and say six years from now we have lost another hundred and must

carry out further study, when we have a hundred wives and children to be thinking of in the meantime. That is why we have commented against this further study. As long as the protection is on now, we are quite happy. We do not care how many studies there are; it will probably prove our point later on.

Mr. CARTER: Your comment was based on a misunderstanding of what was contained in the report.

The CHAIRMAN: Are there any other questions, gentlemen?

Mr. BIGG: The question I would like to ask is whether any study has been made as to whether or not the Hong Kong boys have been able to take jobs as labourers. How many have been assimilated into the labour force and are working effectively with their hands? Have you any figures on that at all?

Mr. STROUD: No, we have not any figures but some years ago we discussed with the Department of Veterans Affairs the retraining of these fellows because—and some of the boys from Quebec will probably bear us out—these chaps went back to their old employment as lumberjacks, labourers and fishermen and we received complaints that they could not do this kind of work any more. They were just physically unable and, as I said, we discussed with the Department the possibility of retraining these men for some lighter work. But these fellows are getting up in age. It is pretty difficult for a man of 38, 40 or 45 to go back to school and start to learn all over again.

Mr. BIGG: But these men were not capable of physical labour because of their experience?

Mr. STROUD: Exactly. You referred to the death rate with regard to a similar age group of Canadians. I wonder whether you have taken into account the number of men who died in Hong Kong. In other words, what you are dealing with may sound a little contradictory. Perhaps you are dealing with a very superior type of physical specimen and the death rate might accidentally be lower among this group than the number of civilians. It could give you a false picture of their physical disabilities which they suffered because of their war experiences. You are dealing now with a screened group but at the same time, there is another little group who are able to carry out heavy physical labour.

Dr. RICHARDSON: Your point is well taken, sir. It is mentioned on page 55 of my report, about the third last line, "The survivors may have included a high proportion of men whose life expectancy on enlistment was above average".

Mr. HERRIDGE: Mr. Chairman, I have a comment to make before you conclude. On page 18 your Organization commented on Dr. Richardson's statement on page 64. It said:

This Association contends that these opinions expressed by Dr. Richardson furnish the soundest possible basis for the establishment of a basic minimum pension of 50 per cent for all ex-prisoners of war who served in the Hong Kong force and who were held in captivity by the Japanese.

I quite agree with your comment there. Your Organization, I presume, was very pleased that Dr. Richardson undertook this study and as a result of his study you are convinced that the Canadian Pension Commission is taking a

different approach to the problem, and you expect to have, shall I say, some of the problems you have raised before the Committee, dealt with constructively and effectively within the near future.

Mr. STROUD: That is our hope. In fact, what we have been saying over the past 18 years has been brought out in Dr. Richardson's report: now that this has been established we would hope this would form the basis for this minimum of 50 per cent. We hope some action will be taken.

Mr. HURD: That is why we feel that it is very important that the hon. members here take our suggestions seriously and deal with the necessary legislation to cover this. This would give the Pension Commission more power to deal with our problem.

Mr. MADILL: I have listened this afternoon with a great deal of interest. Is it possible for this Committee to have a film made up, using some of these pictures and some of the revelations that have been made by the different Hong Kong veterans. It is quite obvious they prefer not to talk about this. It brings back memories they would just as soon forget. But I think we should have films made up on what was revealed today so that this Committee and future committees could have the benefit of them. These could also be distributed to the various legions across Canada. In this way everybody could get their shoulder to the wheel and perhaps it would have a more beneficial effect than what we are doing. This is the first revelation I have heard and I have been home 20 years. In a thing like this a lot of things are brought out, and I know it took a lot out of two members in particular to reveal what they have today. I think there is a great deal of reticence on the part of Hong Kong veterans to expose their feelings, we can appreciate this. By and large they are all modest men. As I say, they do not express their feelings very willingly. But, the more people who understand the tragic circumstances which we encountered, which they do not reveal too readily, the better because more people then would understand the situation and the conditions under which they fought. And, in this way more pressure could be brought to bear on legislators to take cognizance of the experiences they had and to make ample restitution for those experiences.

The CHAIRMAN: Gentlemen, I am wondering whether Mr. Madill's suggestion could not be considered in the subcommittee. We could inquire into the possibility of further studies in this connection. You also mentioned distributing films and, on that, I am not sure.

Mr. MANCHESTER: Mr. Chairman, we appreciate the concern of the member for future studies. Dr. Richardson's report has borne out that conditions do exist which warrant payment of 50 per cent pension to those Hong Kong prisoners of war who are not now in receipt of it. We are attempting to help you gentlemen arrive at a conclusion now so you can recommend the implementation of this 50 per cent pension immediately, along with full entitlement. We are not concerned with how many more studies you wish to make. By all means make the studies. And, for the record, we prefer that your Committee make a recommendation to the government that the Hong Kong veterans as such be granted immediately a 50 per cent pension with complete entitlement.

Mr. MADILL: I sort of missed the point I wanted to make. If this was brought to the attention of every legion across Canada—and we just finish a

Dominion Legion Convention in Montreal—then when this is discussed on the floor of the House it would be endorsed 100 per cent. But, there are occasions when they try to talk you out of certain things.

Mr. MANCHESTER: Mr. Chairman, in appendix B of our draft there is a resolution by the Royal Canadian Legion Dominion Convention, 1966, so how more up to date can we be?

Mr. MADILL: I just came from there. We did not stay for the whole convention; in fact we were just there for the first day.

Mr. HARLEY: I appreciate the many things that have been said here today. It has given us a better understanding of the problems. But, coming back to Mr. Herridge's point on the comment on page 18 about Dr. Richardson's report making a very sound basis for the establishment of a basic minimum pension of 50 per cent, I think it is fair, with Dr. Richardson here, to point out that while his opinion has been taken as a basis for what you are asking, this is not the opinion of Dr. Richardson himself, in his report. He has made some other recommendations. One of the problems I think, and it has been mentioned before, is giving a blanket pension of 50 per cent to some people who say they have no disability at all. Is it because they are reticent or what?

Mr. STROUD: Mr. Chairman, I think we clarified that earlier in our brief when we said, "When applied for".

Mr. HARLEY: Knowing human nature you can forget that.

Mr. MANCHESTER: I am quite sure that you are aware along with your colleagues that no legislation is written on a minority finding. Whenever legislation is permitted it is based on a majority in that it will benefit the largest proportion of the group involved. I think it is picayune to say that you are going to hold up 5 per cent as a means of allaying any further action towards the completion of a piece of legislation which will permit a 50 per cent pension paid to the Hong Kong veterans at this time. Now, when you speak about people who refuse to come forward and claim their pensions, I would like to make reference to the Deputy Minister of National Health and Welfare, Dr. John Crawford. I can imagine him writing in his own pension ticket. He would not come forward. It is the likes of him and other men in his category that make up the 5 per cent. Then you sit there and say that because 5 per cent will not come forward why should we consider paying you 50 per cent or those people who are entitled to 50 per cent.

Mr. HARLEY: On the basis of the pension act now you are paid for a disability. You are really getting away from the principle here if these people say they have no disability. Now, perhaps medical science has not progressed to the point where they can tell.

Mr. MANCHESTER: Will you not agree there are always a group who do not benefit or who benefit to a greater extent than the main body in any piece of legislation or in any situation?

Mr. HARLEY: I did not follow you.

Mr. MANCHESTER: You have an act which provides a benefit for a large multitude of people, and it is specified that on a certain date this legislation will become effective. Legislation is written that permits a certain group to get a

larger cut of the pie, shall we say, than the middle group. Then, there are those persons at the end who just could not care less about receiving a benefit which is their entitlement. I will make mention again of the Department of National Health and Welfare, which is your old age security pension, and it is an ideal situation because I do not feel that I have any right to a pension. I say I have sufficient money to live on. I am using myself as an example because as soon as I am old enough I will apply for it.

But, there are certain persons on general principles who say: "I will not apply for the pension", and this applies exactly to this 5 per cent here. Now then, if you as legislators had agreed that there is going to be a group of people who have sufficient money and, therefore, you will not enact the old age security legislation, you will not encompass, you will not make it a right to persons at a certain level of age, then you never would have put this legislation through.

Mr. KENNEDY: This is in relation to a call for the 50 per cent pension. Am I not correct in saying that there is precedent already, in the case of T.B. A person hospitalized for T.B. and accepted as a disabled person from war never goes below 50 per cent. Am I right there or not?

Mr. MANCHESTER: Exactly, we mentioned that.

Mr. STROUD: We had mentioned various other acts. But we do not care how you do it, whether it is by new legislation or amending the Pension Act so long as a 50 per cent minimum pension is put in. Whether it is by a new act, amendment to the present act or regulations or by the Pension Commission, this is what we are asking. But, we would like to see it done now, not ten years from now. We do not want to come back and forward for another five or ten years carrying on until another 100 or 200 of our men have dropped and then say there is something here again. We would like to see it done now in whatever way you gentlemen can put this legislation through. So, we will leave it to you.

Mr. MACRAE: I would like to say to the Hong Kong veterans that they can leave themselves in our hands because we have 24 very powerful and very interested advocates right here, especially after today.

Mr. WEBB: In the past two weeks I have talked to two POW's of the second world war and they, in turn, through the years have talked to your association fellows and some of the POW's. These two chaps were certainly of the opinion that the Hong Kong POW's are certainly entitled to more consideration than POW's of the second world war. They knew the hardships that the fellows went through and they did not hesitate—they are both members of the House of Commons—in any way to make their feelings known.

The CHAIRMAN: Mr. Bigg, do you have a question.

Mr. BIGG: I have always claimed that no change in the act is necessary so long as section 70 was interpreted liberally. Perhaps they are asking us to say that section 70 makes it specific, that when avitaminosis is one of the claims of veterans section 70 will apply in a most liberal manner, and he will be given a 50 per cent pension. Those who do not want to apply, like Dr. Crawford and certain other grants, do not have to take them; I do not think there is anything

compulsory in the act. I do not believe it is even compulsory in the old age pension act, to take the old age pension. Therefore, we have precedence for this. However, where a veteran claims that due to avitaminosis he is 50 per cent incapable of earning his living with his hands, my understanding of the Act is and always has been that he can get that pension. This is a benefit to those who have applied if there is medical evidence to support their claim.

● (5.00 p.m.)

Mr. TOLMIE: Mr. Chairman, I just want to say I do not think we have to be too concerned with procedure, that is something which can be worked out. What we have to be concerned with as a committee is based on the evidence advanced to us if we feel that their claim is legitimate; in other words, if we feel they are entitled to 50 per cent of the full claim. So far as working out the means of achieving this, we can do that later.

Mr. HURD: Mr. Chairman, I would like to thank the members of the Committee on behalf of the Hong Kong Veterans Association for taking the time to tell us of some of their experiences. I do not think it is really the Committee's job to say just how the objective of this meeting will be reached. I think these gentlemen will leave here knowing they have met a committee which will be entirely sympathetic to their problem.

The CHAIRMAN: Gentlemen, this seems to conclude the discussions. I think the hearings will be quite fruitful to you and your group, and we thank you again for your presence here in Ottawa, for your presentation, your answering of questions and disclosing to the Committee some of your experiences. This will all be for one good purpose, the good of the Hong Kong veterans and the Far East prisoners of war.

Thank you very much, gentlemen. Have a good journey home and we hope that the Committee, when it gets together to prepare its report, will reach a conclusion that might be close to your complete satisfaction.

Canada, Parliament HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, MAY 19, 1966

Respecting the
Estimates (1966-67) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. P. D. Cross, Deputy Chairman, War Veterans Allowance Board.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,	Mr. Herridge,	Mr. Morison,
Mr. Chatterton,	Mr. Kennedy,	Mr. Ormiston,
Mr. Clancy,	Mr. Latulippe,	Mr. Rock,
Mr. Cowan,	Mr. Legault,	Mr. Thomas (<i>Maison-</i>
Mr. Émard,	Mr. MacRae,	<i>neuve-Rosemont</i>),
Mr. Fane,	Mr. Madill,	Mr. Tolmie,
Mr. Groos,	Mr. Martin (<i>Timmins</i>),	Mr. Webb—(24).
Mr. Habel,	Mr. Matheson,	

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, May 19, 1966.
(8)

The Standing Committee on Veterans Affairs met this day at 9:40 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Émard, Fane, Habel, Herridge, Kennedy, Laniel, Legault, Madill, MacRae, Rock, Tolmie, Webb (15).

In attendance: From the Department of Veterans Affairs: Messrs. Paul Pelletier, Deputy Minister, C. F. Black, Departmental Secretary, J. E. Walsh, Director, Finance Purchasing & Stores, K. S. Ritchie, Director General—Treatment Services, C. C. Misener, Director of Admission Services, P. E. Reynolds, Chief, Pension Advocate, R. W. Pawley, Director, Land Administration, W. Strojich, Senior Administration Officer, E. J. Rider, Director, Veterans Welfare Services, G. L. Mann, Chief, Rehabilitation Services, T. D. Anderson, Chairman, Canadian Pension Commission, F. G. Stockley, Executive Assistant, Canadian Pension Commission, W. T. Cromb, Chairman, War Veterans Allowance Board, P. D. Cross, Deputy Chairman, War Veterans Allowance Board, P. Benoit, Executive Assistant, War Veterans Allowance Board, G. S. Way, Chief of Information and Public Relation Service; *from the Royal Canadian Legion (Dominion Command):* Mr. Herbert Hanmer.

The Chairman introduced the Estimates of the Department of Veterans Affairs (1966-67), and called on Mr. Paul Pelletier, Deputy Minister to address the Committee and introduce the other Departmental Officials.

The Chairman reminded the Committee that Item (one) had been called at a previous meeting and allowed to stand pending the appearance of the Minister.

Item 25, was called and the Committee proceeded to the questioning of the witnesses.

Item 25, was carried.

Item 10, was thoroughly examined and carried.

On motion of Mr. Rock, seconded by Mr. Herridge,

Agreed,—that tables entitled “War Veterans Allowance Act—Recipients on Strength by Wars as at March 31, 1966”, and “Civilian War Pensions and Allowances Act—Recipients on Strength by Wars as at March 31, 1966”, be appended to this issue.

(For the above tables see Appendices 1 and 2).

The consideration of the Estimates continuing, at 11:00 o'clock a.m., on motion of Mr. Fane, seconded by Mr. Madill, the Committee adjourned to Friday, May 20, 1966, at 9:30 o'clock a.m.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, May 19, 1966.

• (9.30 a.m.)

The CHAIRMAN: Gentlemen, there are three members on the way and, if you agree we will start. We cannot sit later than eleven o'clock because there will be another committee meeting in this room, and we would like to get ahead.

If you remember, at the previous meeting we had begun on the estimates and we stood Item one. Before we start on our next item, Item 25 at page 537 of the estimates, I will call upon the Deputy Minister to say a few words and, at the same time, introduce the people of the Department who are present here this morning. At the same time, we will distribute a schedule which will give the names of the different headings of the estimates, with the corresponding names of the people who will answer any questions on these subject matters. Actually, there are two schedules and I think these might be helpful to the members of the Committee; they will know who is replying to the different questions.

We will now call upon the Deputy Minister, Mr. Paul Pelletier, to speak to you.

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): Thank you very much, Mr. Chairman, and gentlemen. As you know, Mr. Chairman, the Minister is absent in Winnipeg at the moment on business, but with your permission and that of the members of this Committee, he plans to make a general statement at your Committee meeting which, I believe, is slated for Tuesday at eleven o'clock. So, I will not make any statement of substance other, I think, than to say that we are all here to answer any questions you may have to put to us.

With your permission, Mr. Chairman, I would like to introduce the people present. You all know, of course, Mr. T. D. Anderson, the Chairman of the Canadian Pension Commission, who reports to parliament through the Minister of Veterans Affairs. He is accompanied here this morning by his Executive Assistant, Mr. F. G. Stockley. I will just go down the line and ask the officials to please stand as I call their names? There is Mr. J. E. Walsh, Director of Finance; Mr. P. E. Reynolds, Director of Legal Services and Chief Pensions Advocate; Mr. C. F. Black, Departmental Secretary; Mr. G. S. Way, Chief of Information Services; Dr. K. S. Ritchie, recently appointed Director-General of Treatment Services—to replace Dr. Crawford who became Deputy Minister of National Health; Dr. C. C. Misener, Director of Admission Services; Mr. E. J. Rider, Director of Veterans Welfare Services; Mr. R. W. Pawley, Director of Veterans Land Administration; Mr. W. Strojich, also of Veterans Land Administration; Mr. P. Benoit, Executive Assistant to Mr. Cromb; Mr. W. T. Cromb, Chairman

of the War Veterans Allowance Board; Mr. P. D. Cross, Deputy Chairman of the War Veterans Allowance Board.

That, gentlemen, is the sum total of our presence here. We will endeavour to answer any questions the Committee may have as completely and candidly as possible.

The CHAIRMAN: Thank you very much, Mr. Pelletier. In the name of all the Committee members I wish to welcome the officials from the Department here this morning. I am very sure that your presence will be very much appreciated for the next few days or, perhaps, the next two or three weeks, if need be, so we can get through our estimates as fast as possible. Thank you for coming.

I will now call for questions on Vote 25 which is at page 537, as I said before.

Department of Veterans Affairs

Vote 25—Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which, shall be subject to the Pension Act; Newfoundland Special Awards, and Gallantry Awards (World War II and Special Force). \$182,376,000

Are you ready to proceed on Vote 25, gentlemen? Mr. Anderson will answer most of your questions on this vote.

Mr. CARTER: Mr. Chairman, I would if I could ask Mr. Anderson about that item of \$37,000 for the Newfoundland Special Awards. Is there any breakdown of that amount? Does that figure include the small group that did not qualify for pensions under the Pension Act or the War Veterans Allowance Act? If they are included, how many of them are now receiving these awards?

Mr. ANDERSON: The numbers, as indicated here, are: 1965-66, 38; 1966-67, 37, which is the current figure.

Mr. CARTER: How many of these are survivors or the actual pensioners?

Mr. ANDERSON: I am not certain what categories these 37 people fit into but it seems to me they are mostly dependents or widows, in other words.

Mr. CARTER: They would be mostly dependents then?

Mr. Anderson: Yes.

Mr. HERRIDGE: Mr. Chairman, on the question of general administration, what is the practice at the present time with respect to the Pension Commission holding hearings in various parts of Canada?

Mr. ANDERSON: You are speaking now of such hearings as appeal board hearings and hearings under the provisions of section 7(3) of the Act?

Mr. Herridge: Yes.

Mr. ANDERSON: So far as appeal board hearings are concerned, these are the final hearings with regard to entitlement. They are held in all parts of the country wherever there is a need and wherever there is a large group of veterans who seek entitlement through an appeal board hearing. The same applies to: Hearings on assessments under section 7(3) of the Act—in fact, these 7(3) hearings are frequently heard by the same individuals who hear the appeal

board; leave to reopen, that is hearings under section 65(4) of the Act where having had an appeal board, the individual applicant feels that he or she has new evidence which would affect the claim, or where there is some evidence that the Commission may have erred in reaching the original appeal board decision because of lack of evidence or some such thing as that are held in Ottawa only and the applicant himself does not appear in person before the special board. This is not really an appeal board. It is a special board set up by the chairman or the deputy chairman to hear these claims. The applicant himself, as I say, does not appear before this special board whose responsibility it is to hear a claim for leave to reopen. The applicant is represented by his advocate, whoever that may be. I think this is the sum and substance of what I have to say with regard to this type of hearing.

Mr. HERRIDGE: While everyone will recognize I have a cosmopolitan approach to life I am a bit colloquial on some occasions. What I am getting at is that I believe in the theory that the Pension Commission should make its presence felt in as many parts of Canada as possible. I am just going to speak from personal experience of the interior of British Columbia. How many times have the hearings been held in Nelson or at certain East Kootenay points, say, in the last year. I mention this because even to go to those places is quite an inconvenience for the applicant concerned. Could you give us any information in respect of that?

Mr. ANDERSON: Yes, sir. Normally, we have two appeal boards going into the interior annually. This situation is somewhat peculiar to British Columbia alone in that we have never had any very pressing requests from any other part of the country for procedure. In Manitoba, for example, we do not send appeal boards up to Churchill or The Pas or any place like that. Everyone is brought in from the outlying areas to Winnipeg. The same is true of most of the other provinces. For some reason British Columbia has always pressed for appeal boards in various areas of the country. Now, we have been able to accommodate them, within reason, over the years and so long as there is a reasonable demand and a reasonable number of applications in those areas, we expect to continue to do so.

Mr. HERRIDGE: I know we are all very peculiar there but I do think it is a good idea. I think Brigadier Melville refers to it as "showing the flag". I think it a good idea to have the presence of the Canadian Pension Commission brought as close to the people as possible by holding hearings wherever they are required in these distant places.

Mr. MacRAE: I would like to ask the Chairman of the Pension Commission a question about the amounts for 1965-66 for World War I veterans, \$60 million, and in 1966-67 for \$57 million. With regard to World War I, the decrease would be normal attrition. But the World War II veterans have dropped also and, it seems to me, that is a surprising figure because you would assume that as the first world war men got a little older there would be more applications for pensions as their disabilities reached a point where they felt they should apply. Could the Chairman give any explanation there?

Mr. ANDERSON: Yes. I have just been reminded that one of the chief causes of this reduction is the fact that the second World War veterans' children are

now growing up and getting to the age where they are coming off pension, which affects the total.

Mr. MACRAE: Thank you. What is the average age now of the first World War veteran and of the second World War veteran?

Mr. ANDERSON: I have not those figures available at the moment but they can very readily be obtained for the Committee.

Mr. MACRAE: Thank you very much.

(Translation)

The CHAIRMAN: Mr. Émard, I suppose I might wait a minute so Mr. Anderson could use his earpiece.

Mr. ÉMARD: Could you give me the number of veterans—second World War veterans—who receive full pensions, 100 per cent pension? Could you tell me also how many of these receive a 50 per cent disability pension or less?

● (10.00 a.m.)

(English)

Mr. ANDERSON: While we are waiting for these figures, Mr. Chairman, I should tell you that we now have the average ages which were requested by one of the members.

For World War I it is 72 and for World War II it is 48.

According to the latest figures, we have available, Mr. Chairman, the number of pensioners who are receiving a 100 per cent pension—that is the maximum—is 5,758; the number receiving between 40 and 50 per cent is 6,613; the number receiving between 30 and 40 per cent is 12,048; the number receiving between 20 and 30 per cent is 24,731; the number receiving between 10 and 20 per cent is 48,084; and the number of those receiving less than ten per cent is 20,891.

Mr. KENNEDY: If that subject is completed, I would like to ask Mr. Anderson if he has any figures which would indicate the number of applications for pension in the last year, and, if so, how many were granted and how many were rejected?

Mr. ANDERSON: Yes, Mr. Chairman, we have the figures here somewhere. It may take a little time to find these. This covers the period from 1939 to 1965. I thought we had a breakdown by years, but it begins to look as though the only figures we have are the total decisions to date. These other figures can be obtained and I can make them available.

Mr. KENNEDY: What are the total figures to date?

Mr. ANDERSON: Decisions of the Commission, grand total as of September 1, 1939, to September 30, 1965, 938,128.

We may have these other figures available now.

I think it must be remembered that this figure is difficult to ascertain with any degree of accuracy because it depends on what sort of information you are seeking. If it is the number of decisions only, then you may be dealing with the same person on two or three occasions. The number of decisions for 1965 is 7,058; this is disability, of course. Now, as I say, the same individual may have

appeared on at least two occasions. This refers only to initial and renewal hearings; that is Second World War, Korea and so on.

The total number of decisions for dependents in 1965 was 1,274. There, again, the same person may have appeared more than once.

The CHAIRMAN: Mr. Kennedy, did you want the favourable decisions and the applications that were rejected? From the way you put your question . . .

Mr. KENNEDY: My question was: How many applications have been received and how many were granted and how many were rejected?

Mr. ANDERSON: Yes. Those are the totals, and I can now give you the other figures. There is one other group here. The total second renewal hearings for 1965 were 2,683.

Now, returning to these groups again, and looking at the figures with regard to those which were granted and those which were not granted, in the case of the World War I and World War II first and initial hearings, the total granted was 1,563; total not granted, 5,495. That is only at first and initial hearings. The dependents, for both wars: Total granted 1,140, and the total not granted 134. Second hearings and renewals: Total granted 831—that is out of the figure of 2,683—and not granted, 1,852.

We go from there to appeal boards. We are now dealing with the total number of appeal boards heard in 1964-65. These are the latest figures we have. The number of appeal board cases heard was 1,498. I will give you the figures broken down in accordance with World War I and World War II permanent and special force. There were 41 pensions granted to World War I veterans by appeal boards; I am dealing with appeals only. There were 439 pensions granted to veterans of World War II; there were 73 pensions granted to members of the permanent force; and there were 16 pensions granted to members of the special force—that is, the Korea group.

Mr. CARTER: For clarification, Mr. Chairman, could I ask Mr. Anderson this: When he says "the number of dependents that were granted or rejected" does that figure refer to family units or to individual persons? I mean, would a wife and a child be counted as two, or counted as one?

Mr. ANDERSON: These figures refer to individuals—the mother, the child, the children, if there are two, and so on.

Mr. CARTER: These are all included in that total—each individual?

Mr. ANDERSON: That is correct.

Mr. KENNEDY: The percentage of awards to dependents is very high in comparison. I suppose this is because they are widows of 50 per cent pensioners, and it is almost automatic.

Mr. ANDERSON: That is correct, yes.

Mr. CARTER: Along the same line, has Mr. Anderson any figures on dependent parents? Is that included or is it in a separate category?

Mr. ANDERSON: The figures I have given you include everybody.

Mr. TOLMIE: There is an item here "Defence forces—peacetime services" which is up substantially from the previous year. Is there any explanation? This is vote 25.

Mr. ANDERSON: This could be accounted for, to some extent, by the fact that we are now applying the insurance principle to the members of the peacetime forces who served in certain specified fields like Crete or Cyprus or India or Africa—places like that. This would be bound to increase the number granted because they are now protected by the insurance principle; that is to say, any disability which arises during their period of service in those specified areas, whether or not it arises out of, or is directly connected with, their service.

Mr. TOLMIE: I do not quite understand.

Mr. ANDERSON: May I explain it, then, in a little more detail? During World War II the person who served during the actual combat period, or during the period of conflict, when the war was actually in progress, was protected by this insurance principle which meant that if any condition arose, or if, for instance, he was walking across the street and was knocked down by an automobile, he was able to claim that a pension be payable. In peacetime, under section 13(2), this is not so. You have to establish, beyond a reasonable doubt—if there is any doubt, of course—that the condition arose out of, or was directly connected with service.

In recent times, legislation has been introduced which provides for the same sort of protection to people serving in places like, for instance, the Congo and so on, as our World War II veterans had while they were serving during the combat years.

Mr. TOLMIE: This would add to the number who, in that event, would make claims?

Mr. ANDERSON: Yes.

The CHAIRMAN: Is it a supplementary, Mr. Carter.

Mr. CARTER: No; I have a question that is related to this subject, but it is really a different question. I would not call it a supplementary.

The CHAIRMAN: Could you wait then? Mr. Kennedy.

Mr. KENNEDY: The insurance principle now applies to forces serving abroad. Where does this start? Does it start when he is warned for draft in this country, or after he gets on board the transport, or when he lands in the other country? And where does it end?

Mr. ANDERSON: It starts when he arrives in the territorial waters of the country to which he is posted, and ends when he leaves those territorial waters.

Mr. Rock: On vote 25, with reference to burial grants, this is rather segregated from burials and memorials. What I would like to know is whether these burial grants are directly in relation to a veteran who is receiving these other benefits and passes away. Subject to subsection 2, when a pensioner, pensioned on account of a disability, dies, and his estate is not sufficient to pay the expenses of his last sickness and burial, the Commission may direct the payment of such expenses or a portion thereof. The payment under subsection 1, in the case of any pensioner, shall not exceed the aggregate . . . etc. and then it sets forth the amount to be paid.

● (10.15 a.m.)

This \$400,000, therefore, is related to what you just mentioned and is not included anywhere in the burials and memorials, then, in vote 15?

Mr. ANDERSON: No. "Burials and Memorials" is administered by the Department of Veterans Affairs.

Mr. HERRIDGE: Mr. Chairman, I notice the figure is \$400,000 for 1965-66 and the same for this year. Is this a lump sum set aside, which is necessary, always to be extended?

Mr. ANDERSON: That is correct.

Mr. CARTER: I would like to ask Mr. Anderson about Attendance Allowances. What is the present maximum Attendance Allowance, and how long has it been in effect? How long has it been since there was an increase?

Mr. ANDERSON: The maximum Attendance Allowance at present is \$3,000 per year. It went into effect, with the last amendment, on January 1, 1964, I believe.

Mr. CARTER: What was it before that?

Mr. ANDERSON: The maximum before that was \$1,800.

Mr. CARTER: You pay less than the maximum? You pay up to \$3,000?

Mr. ANDERSON: Yes.

Mr. CARTER: Have you any figures to show how many are receiving the maximum amount, and how many are receiving less than the maximum?

Mr. ANDERSON: Those figures are not readily available at the moment, but they can certainly be obtained, and I will see that they are.

Mr. CHATTERTON: I have a question about the Attendance Allowance. Are they eligible for it regardless of receiving a percentage disability pension?

Mr. ANDERSON: That is correct. If they meet the provisions as set forth in section 30 (1) of the Act, they are entitled to an Attendance Allowance, regardless of the assessment of disability.

Mr. HERRIDGE: Mr. Anderson, under what section of the Act are these Newfoundland Special Awards paid?

Mr. ANDERSON: There is no provision for them in the Pension Act itself. There is a special agreement between the federal government and the Province of Newfoundland. The provisions are contained in the terms of union.

Mr. HERRIDGE: Do you have any idea what this section of the agreement provides for?

Mr. ANDERSON: Yes, I can tell you roughly. It is provided that in cases where pension has been paid to certain persons in Newfoundland at the time of confederation, these would be continued at the rate at which they were being paid at the time of confederation.

Mr. HERRIDGE: These were disability pensions?

Mr. ANDERSON: No, not necessarily. They were mostly pensions to widows—dependent widows of one sort or another.

Mr. HERRIDGE: Which were formerly paid by the British Government?

Mr. ANDERSON: No, I think by the Newfoundland Commission of Government, if I recall. In some cases, I believe, they were even being paid by the Great War Veterans Association.

Mr. WEBB: Mr. Anderson, a few minutes ago you said that the applicant must prove his case beyond a reasonable doubt. Can you tell me what the Board considers is a reasonable doubt?

Mr. ANDERSON: This is the age-old question and there are just about as many replies to that as there are people to make them.

Mr. WEBB: Fifty one per cent?

Mr. ANDERSON: I would think that it would be an unfortunate thing for the veterans themselves if we stipulated any particular percentage of proof that would be necessary before we grant entitlement; because, no matter how generous you were with that particular regulation, you would be bound to find some very deserving cases that would be outside it. Therefore, I do not think it is in the best interests of the veterans themselves to lay down any hard and fast rules with regard to this. The legislation itself does not encourage or perhaps I shall say it discourages, the establishment by the Commission of hard and fast rules. In effect, it tells us, loosely, "Here is what we want you to do and we hope you will be as generous as possible within those very loose terms that are set forth." Now, for us to take it into our hands to do something which the legislators themselves were not prepared to do, would, I think, be quite improper.

Mr. WEBB: Would you say, Mr. Anderson, that the method used by the applicant has any bearing on the application? There are different types of letters which we all receive, and some are very abrupt and to the point. The reason I am asking this is that on the Hong Kong hearings and different hearings like that, there are chaps who are not well. They are irritated. They feel they have been badly dealt with. This is very current, I think, because even yesterday, when there was the bomb explosion, I was quite certain it was this fellow who has been picketing in front of the parliament building's for the last few days. He was very disturbed the day before. I was talking to him, and he was ready to do anything.

I was wondering what effect this would have on the Board. I realize they are all veterans too. One gets certain letters and applications which are abusive. Does this have any effect?

Mr. ANDERSON: Mr. Chairman, I can quite honestly and quite safely tell you that no good case would be lost because the individual happened to be a little abusive. This is not a factor at all. If a man has a proper and just case we are not going to rule him out because he is a little abusive. We are all veterans, as you say, and we all know that veterans can get a little hot under the collar at times. We do ourselves. Therefore, we are not going to rule anybody out simply because he calls us bad names. I can assure you of that.

Mr. CARTER: I would like to ask a supplementary to the question put by Mr. Herridge about the Special Awards. Mr. Anderson told us earlier there were around 37 of these, and the item provides for \$37,000, which averages about \$1,000 each. I was going to ask the Chairman of the Pension Commission if he could tell me if there have been any increases in these awards since 1949 and, if so, when was the last one?

Mr. ANDERSON: The rate has fluctuated—sometimes up and sometimes down—for some years for some reason which seems to me to be obscure.

Normally, you would think that since the rates are fixed and since there was no provision in the agreement whereby these rates could be increased, you would expect that it would continually go down because of the fact that the numbers are getting smaller. But this has not always been the case.

The figures would indicate that there has not really been any revision. For instance, going back to 1962, the figure in 1962 was \$36,321; the next year it was the same; the next year it was up very slightly. Why, I do not know. It is just a matter of less than \$100—about \$60. The next year it went up again very slightly—less than \$50. It remained the same the next year, it remained the same the following year and it remained the same the following year. . . . No, I am sorry; these are monthly from 1949. In January 1962 it was \$36,320 and it remained at that figure in February; it went up slightly in March and April, et cetera. But it has remained fairly constant. The figure has not increased sufficiently to indicate that there has been any general increase in the rate. Why these slight increases occur, I am not sure.

Mr. CARTER: Not since 1949 has there been any increase in payment?

Mr. ANDERSON: That is right; the amount paid to the individual pensioner has remained constant.

Mr. KENNEDY: With regard to the Gallantry Awards, there has been a slight increase since 1963 to the present day. Is this because some people were entitled and have not applied until now or because we have had no hostilities since Korea, or are there some awards being made in the special peacekeeping forces?

Mr. ANDERSON: This is due entirely to the introduction of legislation providing for gratuity to those awarded the George Cross.

Mr. HERRIDGE: Have there been any increases in awards under the civilian section. Have you had any late applicants?

Mr. ANDERSON: The number of applications for awards for pensions under that particular section have been very few in recent years because the legislation itself made it necessary for them to apply within a certain period after discharge. Now, there are some special provisions in section 9 which make it possible for us to have the applicants before us if they are in outlying areas, where they are unable to make proper contact.

Mr. HERRIDGE: You have had a few cases like that?

Mr. ANDERSON: We have had a few cases.

Mr. HERRIDGE: I thought so.

Mr. ANDERSON: A very few cases.

Mr. CARTER: Does the Pension Commission ever make recommendations for changes in the Pension Act, or does the Commission feel that such action would be outside its terms of reference as a Commission?

Mr. ANDERSON: No; I do not think we feel that is outside our terms of reference. Let me put it this way, that if we find that there is some anomaly, or some discrepancy in the Act, which is reacting to the detriment of veterans, or which is making it difficult for us to do what we think is right and proper, we invariably go to the Minister and point this out and say "Here is the problem." It is the Minister's prerogative to decide whether we can do anything about it

and, if so, what? But we never hesitate to let him know if we are having any difficulty with any section of the Act.

Mr. HERRIDGE: Would you say, Mr. Anderson, that where there are suggested increases in rates or questions of that type, you leave that entirely to the political instance of members of parliament?

Mr. ANDERSON: Quite; and we do not think that is any of our business.

The CHAIRMAN: Are there any more questions?

Shall Vote 25 carry?

Some hon. MEMBERS: Carried.

Mr. Anderson, this will not prevent you from bringing forward any information which might have been asked for by the members in the discussion on the vote.

We will now pass to Vote 10 on page 533, War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations. Mr. Cromb will be answering the questions. Would you like to come to the front, please, Mr. Cromb?

Thank you, Mr. Anderson.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, before making a brief statement on the task of the War Veterans Allowance Board and the district authorities, I would ask your permission to table the material which I am having distributed.

It consists of a table showing the number of recipients of war veterans allowances by wars, on strength as of March 31, 1966, with the annual liability; and also a similar table dealing with recipients of civilian war allowances. May I have your permission to do this?

The CHAIRMAN: Is it agreed that this documentation be distributed?

Mr. CROMB: The statement I propose to make will be brief, as I know you all have knowledge of the War Veterans Allowance Act and part 11 of the Civilian War Pensions and Allowances Act.

The War Veterans Allowance Board is a statutory body which reports to parliament through the Minister of Veterans Affairs. Members of the Board are appointed by the Governor in Council. The Board is a quasi-judicial body and is independent in so far as its decisions are concerned. The Board is administratively co-ordinated with the Department of Veterans Affairs.

There are 19 district authorities established in the offices of the Department. Included in this number is the foreign countries' district authority which is located in Ottawa. All the members of the District authorities are employees of the Department of Veterans Affairs, and are appointed by the Minister, with the approval of the Governor in Council, to adjudicate on matters arising under the Act in the regions in which they are appointed. All applications must be made to the district authority in the first instance.

The Board acts as a court of appeal for recipients or applicants, who may feel aggrieved at the decision of a district authority.

The Board exercises functional control over the district authorities and directs the policy which maintains uniformity across the country.

The task of the Board is to administer the legislation contained in the War Veterans Allowances Act and also that contained in part 11 of the Civilian War Pensions and Allowances Act. This constitutes an expanding and important program as the number of recipients is increasing from year to year.

An interesting trend is now evident in that for the third successive year the number of approved applications from veterans of World War II is greater than the number of approved applications from veterans of World War I. This trend will, of course, become more marked with the passage of time.

With me this morning is Mr. Paul B. Cross, the Deputy Chairman of the War Veterans Allowance Board, and we will do our best to answer questions you may wish to ask on the work of the Board and of the district authorities.

Mr. CARTER: Mr. Chairman, I have to leave in a minute or so for the other committee which has been waiting for me.

I have no questions on the War Veterans Allowances Act, but I would like to place on record my appreciation of the very fine work which the War Veterans Allowance Board is doing.

Mr. CROMB: Thank you very much, Mr. Carter. I must share that with the many people who co-operate with, and help, the Board. Thank you.

Mr. HERRIDGE: I would like to complement that. I would like to do the same thing. I have found throughout the country, as I know very well indeed, a strong appreciation of the administration of the War Veterans Allowances Board, both in Ottawa and through the district authorities. They are most sympathetic, most understanding, and this is appreciated by the veterans and their dependents.

Mr. CROMB: Mr. Chairman, thank you very much for your very fine expression of appreciation. It certainly is an encouragement, and I can assure you it will not have any effect of having us rest on our oars. It will mean that we will continue to maintain, I hope, the confidence that you have expressed this morning.

Mr. CLANCY: Mr. Chairman, there is one thing that has puzzled me about War Veterans Allowance, particularly as it applies to surviving widows. Take a case where a particular widow does not want to spend her money. She puts it in a sealer, or she puts it in a bank. Is it possible to cut her off because she saves her money?

Mr. CROMB: We are bound by the schedule to the Act and also by the Act itself, in this case. A recipient is permitted to have so much personal property. In the case of a married recipient, they may have \$2,500 in the bank, or negotiable securities, and in the case of a single recipient, such as a widow without children, she is permitted to have \$1,250. If it is more than that, then the district authorities and the Board have no other choice but to suspend the allowance until such time as she reduces it to that level.

Mr. CLANCY: But why, if she wants to live the way she does? Why should she not save her money?

Mr. CROMB: The War Veterans Allowance Act is essentially a welfare statute, and it was intended to make sure that the recipient's income does not

fall below that which is stated in the schedule to the Act. It is to see that they do not fall below that schedule.

Mr. CLANCY: May I ask one more question? Who reports these people?

Mr. CROMB: When an applicant makes a—

Mr. CLANCY: This is a person who has been drawing the welfare. I may not approve of the way she lives, but, in a sense, it is the way she saves money. On the other hand, her only income is the War Veterans Allowance.

Mr. CROMB: When an applicant or a recipient applies he agrees to keep the district authority informed of any changes in his financial circumstances. In the case of elderly people, where their income is pretty static—at least, one thinks it is—they are sent out a form to fill in only once a year, stating their financial circumstances. As a matter of fact, that type of case is only visited once every four years.

If a file is fairly active and a recipient is employed off and on, then, of course, he may be checked a little more frequently. But it is done to keep the district authorities informed of all their financial circumstances, so that they do not incur an overpayment but maintain eligibility under the Act, in so far as the means test is concerned. Sometimes they report themselves, of course; a good many of them report in. I would say the great bulk of the recipients will report.

Mr. CLANCY: What I am getting at is where the only source of income is the War Veterans Allowance. There is no other income at all. I do not recommend living this way, but the fact is that she is carefully putting away the money.

Mr. ROCK: On the same subject, you mentioned a total amount in the bank, or securities; and then you mentioned income. I think we have to make a serious division between the two. I notice that in any welfare legislation, whether it is provincial or federal they usually take the total amount of the value of a person's property and if that total value exceeds it they are not eligible for a certain benefit. It should be the income derived from that amount, not the total amount. This is completely unfair.

I have been an alderman of the City of Lachine for nearly 14 years and I have noticed the same thing there. I have always made the same argument. It should never be the total amount. If a person has saved up all his life and has \$5,000, and has it in bonds, or some other security, it should be only the interest derived from that amount that should be considered as income.

I do not think we should put these people in the position where they have to spend that money in order to receive these benefits. I think this is very important especially in this modern age. I feel that if a person has got property worth say \$5,000 or \$10,000—and there is no income deriving from that—I do not see why that person has to spend that, or sell that property, and wait four years and then become eligible after they have become an indigent case.

Mr. MACRAE: Mr. Chairman, that is not the responsibility of the War Veterans Allowance Board. That is the responsibility of parliament.

Mr. ROCK: Yes; but I am bringing this up, Mr. Cromb, to ask what is your opinion on this so that we can perhaps make a manoeuvre with regard to it.

Mr. MACRAE: I do not think it is his job to give opinions. It is his job to give facts.

Mr. CROMB: That is government policy, or a decision of parliament, and I do not think it would be proper for me to give an opinion, to be perfectly honest.

Mr. Rock: Have there sometimes been cases where this has been argued?

Mr. CROMB: We have cases argued on many points. Perhaps it might clarify the Act itself if I were to give you the full context of what the recipient may have. We have, first of all, real property which is the recipient's residence. He may have an interest in real property up to \$10,000 without it affecting his allowance that is, his interest, that he has invested in it, if it is over \$10,000 five per cent of the amount over the \$10,000, is assessed as income. Aside from that, if he is a married man he may have \$2,500 in the bank and that does not affect his allowance. If he is single, it would be \$1,250.

Now, in so far as income is concerned, income includes anything he receives from certain types of employment—that is, regular employment—that falls below the maximum income permitted in the Act. In addition to this, he is also permitted, in the case of a married recipient, to have \$900 casual earnings which is completely exempted under the Act. If he is a single man it is \$600 annually, which is completely exempt in the form of casual earnings. That is the picture in the whole context.

Mr. Rock: Then it is covered quite well, in a sense, except that I would say that the \$10,000 value of property was something put in the Act years back.

Mr. CROMB: No; that was changed, Mr. Chairman. It went from \$9,000 up to \$10,000 on June 30, 1965.

Mr. Rock: Previous to that it was \$9,000?

Mr. CROMB: Yes, it was \$9,000. It has gone up gradually from time to time.

Mr. Rock: I am just thinking of a property worth \$10,000 today. What type of property would that be? It cannot be anything. Today if you—

The CHAIRMAN: Maybe not in Jacques-Cartier-LaSalle.

Mr. Rock: Anywhere at all. If you look at the property for sale, I do not think you can find anything sold today for \$10,000. It is usually \$14,000, \$15,000, \$16,000 and up; and usually the \$11,000 and \$12,000 properties are the worst that are sold, in a sense.

Mr. HERRIDGE: Mr. Chairman, is there any evaluation placed on the assessed value of properties?

Mr. CROMB: At one time, Mr. Chairman, we did have the assessed value but it varies very greatly from province to province and even within provinces. There have been one or two instances where the assessments were tripled, and that affected the recipients very badly. Therefore, we deemed that the recipients' interest in real property should be the amount of money which he has invested in that property.

Mr. HERRIDGE: Under present circumstance, I think that would be quite fair, because the other values are caused by increases in values which are, in many cases, somewhat fictitious.

Mr. Rock: Indirectly, to get more taxation.

Mr. HERRIDGE: Yes. Mr. Chairman, I have two questions.

The CHAIRMAN: Are they on the same subject? I have two more members who wish to ask questions.

Mr. Webb, Mr. Madill and Mr. Herridge.

Mr. WEBB: Colonel Crompt I, too think it is quite reasonable. Perhaps not in Montreal, but where I live a \$10,000 home is a castle.

I wanted to ask you this, Colonel Crompt: If a veteran is a recipient of a War Veterans Allowance and he, after receiving War Veterans Allowance, lives common law, and his common law wife takes a job, or starts to work, how do you handle that?

Mr. CROMB: We do not recognize common law wife under that name. We do recognize what we call an irregular union, where a veteran has lived with a lady for seven consecutive years, at least, and represented her as his wife. As a common law wife she would not enter our picture at all. It would just be what we call an irregular union and that is based on the understanding that he must have lived with her for seven consecutive years, and there also—and this is very important—must be a bar to the marriage: that is, a previous marriage by himself or his irregular spouse that prevents them being married.

● (10.45 a.m.)

Mr. WEBB: The other thing I would ask you, Colonel Crompt, is, if the veteran has children and they run into difficulties, health problems—

The CHAIRMAN: Could you speak a little louder, Mr. Webb?

Mr. WEBB: If a veteran has children under War Veterans Allowance and these children have health problems and even insanity, what assistance or guidance can they get from the board?

Mr. CROMB: Mr. Chairman, the War Veterans Allowance Act covers only three types of recipients; veterans, widows and orphans. It does not cover children. Orphans are children but they are recipients in their own right. Children's income is completely exempt, and the social assistance which a family in that sort of situation would receive would be completely exempt for War Veterans Allowance purposes. There is something else which Mr. Rider would be able to clear up. There is an Assistance Fund in between our rate and ceiling; but that is something that Mr. Rider could possibly speak to you about when he comes before the Committee, as a witness.

Mr. MADILL: A case was brought to my attention very recently where the daughter is an R.C.A.F. 100 per cent pensioner, the father is a ten per cent disability and they have an eleven year old boy. They moved from Quebec up into our area. They bought a small home in a small village. They are not complaining about the pension they are getting, they are objecting strenuously to someone from the War Veterans Allowance Board coming up practically every month, who takes them to a bank or to a safe deposit box and checks them out on every move. This is disturbing. Everybody in a small village knows your business. They wonder what the representative of the board is looking for. The veteran is very handy. He is fixing up the place and does a little garden work for a living and has a mortgage of \$2,000. He wonders what they are trying to

prove. They are newcomers in the area and naturally the bank is going to be concerned. What are they proving?

Mr. CROMB: Mr. Chairman, I would be very surprised that this should be done once a month. In fact, if Mr. Madill could give me the names—

Mr. MADILL: I can give you the names.

Mr. CROMB: I would be happy to look into the case. That is most unusual.

Mr. MADILL: I would appreciate it because I know what it is like in a village of 600 or 800 people. Everybody knows everybody else and if you come into the bank with strangers—

Mr. CROMB: But, Mr. Chairman, that is certainly not normal procedure, and I would be very pleased to look into the case. I will get the names from you at the end of the meeting.

Mr. HERRIDGE: I have two questions, Mr. Chairman. My first one is that I find where a recipient of a War Veterans Allowance has violated the law whereby he has increased income. In find, in some cases, it is ignorance of the law. What is done to inform these people of their rights under the law with respect to earning more money than—

Mr. CROMB: Mr. Chairman, when the application is made in the first instance, they are very fully and completely counselled by the veterans welfare officer. They are also provided with an information booklet, and then they are counselled from time to time by visits of the welfare officers of the veterans welfare services branch. It is quite true that some of them tumble into an overpayment situation but not purposely. There are, of course, the other types of overpayments which are deliberate. We have to check those fairly closely. I do not know if that answers your question.

Mr. HERRIDGE: Yes. They are regularly informed. Does this happen periodically? Some of these people will get a book and misplace it, or the law has changed?

Mr. CROMB: We have a form which goes out annually that gives them this information and they fill in their address and their income so that it is kept before them at least annually.

Mr. HERRIDGE: I have a second world war veteran who comes to see me periodically. He is a married man, pensioned as a single veteran. He is rather disturbed in some respect. He lives in a separate domicile from his wife. The last time I was in his community, he came to see me and he wanted to know if it would be a violation of the act if he visited his wife on weekends. I did not know what to tell him so I said, "at the present time I suggest you go after dark."

Mr. CROMB: Mr. Chairman, our surveillance is not quite as exact.

(Translation)

Mr. ÉMARD: What is the top pension, what is the maximum he can get when he is so entitled? When he is a married veteran?

(English)

Mr. CROMB: Yes, Mr. Chairman, if he fits the service eligibility he is all right and if he fits the means test, then he will be eligible.

(Translation)

Mr. ÉMARD: When a veteran receives a pension and is unable to work, can he be entitled to the allowances under the Veterans' Act?

(English)

Mr. CROMB: The maximum allowance, Mr. Chairman, that married recipients may receive is \$161 a month. But, he is permitted to receive other incomes, such as old age security or superannuation, which would bring his monthly income up to \$222 per month or on an annual basis, the sum is \$2,664.

(Translation)

Mr. ÉMARD: Is the amount he receives as family allowance for children deductible? Is family allowance deductible from what he receives?

(English)

Mr. CROMB: The family allowance and the income of that sort are completely exempt.

Mr. KENNEDY: I would just like to ask what is the simple definition of an orphan under the act?

Mr. CROMB: Mr. Chairman, an orphan is a child who is bereft of his parents or abandoned by his parents.

Mr. KENNEDY: Both parents?

Mr. CROMB: Yes, if he has been abandoned by them. Sometimes we know where they are. If the child has been abandoned we deem that child to be an orphan. If say, one of his parents is in a mental hospital, we would treat him as an orphan.

Mr. KENNEDY: Up to what age does he remain an orphan?

Mr. CROMB: Up until the age of 21.

The CHAIRMAN: Are there any other questions?

Mr. ROCK: Mr. Chairman, I have a question that I brought up before. Do regional areas of construction come into consideration? I just learned from my colleague here that in his area, for \$10,000, you can build a palace, while in the area of Ottawa and Montreal, you cannot get anywhere with \$10,000 in construction. I was just wondering whether this was taken into consideration?

Mr. CROMB: Yes, Mr. Chairman, it has always been researched before that figure has been adopted.

Mr. HERRIDGE: Mr. Chairman, in respect of this sheet that Colonel Cromb has tabled, the South African veterans, 278, widows, 457; then, 17 under section 5(1). Who would be in that class from the South African war?

Mr. CROMB: Section 5(1), Mr. Herridge, is the section where the married rate is awarded to either a widow or a widower for a period of one year following the death of a spouse.

The CHAIRMAN: Taking into account the fact that these two tables have not been read, is it agreed that they be put at the end of the evidence as an appendix?

Some hon. MEMBERS: It is agreed.

The CHAIRMAN: Are there any more questions gentlemen?

Since we have to rise at eleven o'clock, I think we should not go any further than Vote 10. Shall Vote 10 be carried?

Some hon. MEMBERS: Carried.

Item agreed to.

The CHAIRMAN: Before we adjourn, gentlemen, there are two or three points I would like to mention. First, please do not forget the meeting tomorrow morning at 9.30 o'clock and also the following meeting on Tuesday at eleven o'clock. Monday is a holiday. I hope we can get a quorum at eleven, have a good session and get through our estimates as soon as possible.

You will also notice, in the rear, some photographs that were taken at the Canadian Legion convention and also at the War Veterans Federation dinner here in Ottawa. They will be here today and tomorrow if you care to look at them. If there are any pictures that you might like to have, give me your names and the pictures which interest you and we will try to make them available to you.

Thank you very much Mr. Cromb and thank you, gentlemen.

May I have a motion for adjournment? Thank you.

APPENDIX (1)

WAR VETERANS ALLOWANCE BOARD

MAY 16, 1966.

WAR VETERANS ALLOWANCE ACT

Recipients on Strength by Wars

As at March 31, 1966

	<i>Veterans</i>	<i>Widows</i>	<i>Sec. 5(1)</i>	<i>Orphans</i>	<i>Total</i>
NWFF	1	18	—	—	19
South Africa ...	278	457	17	—	752
WW I	36,954	23,503	1,241	86	61,784
WW II	17,371	3,520	354	224	21,469
Dual Service ...	1,193	414	33	3	1,643
Special Forces ..	150	11	2	5	168
Total	55,947	27,923	1,647	318	85,835

Annual Liability \$96,153,667.00

APPENDIX (2)

WAR VETERANS ALLOWANCE BOARD

MAY 16, 1966.

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

Recipients on Strength by Wars

As at March 31, 1966

	<i>Civilians</i>	<i>Widows</i>	<i>Sec. 5(1)</i>	<i>Orphans</i>	<i>Total</i>
WW I	202	63	3	2	270
WW II	865	174	6	3	1,048
Total	1,067	237	9	5	1,318

Annual Liability \$1,779,230.00

CURRENT ISSUE
KEPT IN STACKS

made. Parliament HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE
ON
VETERANS AFFAIRS
Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

FRIDAY, MAY 20, 1966

Respecting the

Estimates (1966-67) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. C. F. Black, Departmental Secretary; Mr. G. E. Walsh, Director, Finance, Purchasing and Stores; Dr. K. S. Ritchie, Director General-Treatment Services; Dr. C. C. Misener, Director of Admission Services; Mr. R. W. Pawley, Director, Land Administration; Mr. E. J. Rider, Director, Veterans Welfare Services; Mr. G. L. Mann, Chief of Rehabilitation Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,	Mr. Herridge,	Mr. Morison,
Mr. Chatterton,	Mr. Kennedy,	Mr. Ormiston,
Mr. Clancy,	Mr. Latulippe,	Mr. Rock,
Mr. Cowan,	Mr. Legault,	Mr. Thomas (<i>Maison-</i>
Mr. Émard,	Mr. MacRae,	<i>neuve-Rosemont</i>),
Mr. Fane,	Mr. Madill,	Mr. Tolmie,
Mr. Groos,	Mr. Martin (<i>Timmins</i>),	Mr. Webb—(24).
Mr. Habel,	Mr. Matheson,	

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, May 20, 1966.

(9)

The Standing Committee on Veterans Affairs met this day at 9:40 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Habel, Harley, Herridge, Kennedy, Laniel, Madill, MacRae, Rock, Tolmie, Webb—(14).

In attendance: From the Department of Veterans Affairs: Messrs. C. F. Black, Departmental Secretary, J. E. Walsh, Director, Finance Purchasing and Stores, K. S. Ritchie, Director General—Treatment Services, C. C. Misener, Director of Admission Services, R. W. Pawley, Director, Land Administration, E. J. Rider, Director, Veterans Welfare Services, G. L. Mann, Chief, Rehabilitation Services, W. T. Cromb, Chairman, War Veterans Allowance Board, G. S. Way, Chief, Information and Public Relations, B. A. Clark, Chief of Finance, Charles Senechal, Chief of Administration—Veterans Land Act, P. B. Cross, Deputy Chairman of War Allowance Board; *from the Royal Canadian Legion (Dominion Command):* Mr. Herbert Hanmer.

The Chairman read a letter from Mr. T. D. Anderson, Chairman of the Canadian Pension Commission in answer to a question asked at our meeting of Thursday, May 19, 1966.

Mr. Chatterton moved, seconded by Mr. Herridge, that the Chairman make representation to the Minister in view of having Colonel W. T. Cromb, Chairman of War Veterans Allowance Board, accompany the Committee to Europe.

It was *agreed* that this motion stand until Tuesday, May 24, 1966, when the Minister will be present.

The Chairman introduced the witnesses and called Item 15 of the Departmental Estimates (1966-67).

The Committee proceeded to the questioning of the witnesses.

Item 15, was severally examined and carried.

Item 40, was called.

At the request of Mr. Chatterton, it was *agreed* that the presentation made by Mr. R. W. Pawley, Director of Veterans Land Act, be made available to members of the Committee.

It was *agreed* that the five (5) tables of graphs referred to by Mr. Pawley, be appended to this evidence.

(See appendices 1 to 5).

At 11:00 o'clock a.m., the questioning of the witnesses continuing, Mr. Harley moved, seconded by Mr. MacRae, that the Committee adjourn to Tuesday May 24, 1966, at 11:00 o'clock, a.m.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

● (9.34 a.m.)

The CHAIRMAN: Gentlemen, we now have a quorum.

The Deputy Minister called me this morning and asked me to apologize to the members of the Committee for his not being here; he had meetings this morning. He could be available if he really is needed, or any questions that would be directed to him could be asked when we reach Item No. 1. He is going to be here next Tuesday anyway.

I also have a letter addressed to me from Mr. Anderson, the chairman of the Canadian Pension Commission, in reply to a question that was asked of him yesterday. I shall read the letter to you:

Dear Mr. Laniel:

During the meeting of the Standing Committee on Veterans Affairs this morning I was asked to indicate the total number of pensioners who are in receipt of attendance allowance at the maximum rate of \$3,000 per annum. I promised to provide this information.

The total at the moment, that is on May 1, 1966, is 171 pensioners.

At our last meeting we covered two votes.

Mr. CHATTERTON: Mr. Chairman, yesterday I discussed with you the matter of the possibility of Col. Cromb, the Chairman of the War Veterans Allowance Board, accompanying us, and you suggested that I raise it at this morning's Committee meeting.

I think that it would be of value to us if the Chairman of the War Veterans Allowance Board could accompany us. The Chairman of the Pension Commission has been overseas on official business, the Chairman of the War Veterans Allowance Board has not. Furthermore, he has fought in many of the places that we will be reviewing and I would suggest—I do not know if you want a motion—that you approach the Minister to investigate the possibility of Col. Cromb accompanying us on our trip overseas.

The CHAIRMAN: Are there any other views on this?

An hon. MEMBER: I heartily endorse the suggestion.

The CHAIRMAN: I suppose that, if we do make a motion, the only authority we have is to express the wish of the Department.

Mr. CHATTERTON: I would move that you approach the Minister to investigate the possibility of Col. Cromb accompanying us on our trip to Europe.

The CHAIRMAN: One thing we must take into account is that the Committee has authority from the House of Commons to go overseas as a Committee; in this case it would be asking the Department to send Mr. Cromb as one of the

delegation, or as a representative of the Department. Is everyone agreeable to this?

Mr. ROCK: Can you explain to us who are the members of the department who are now coming, if any. Let me put it this way: other than the members, who are the other officers of the Committee Branch and of the Department of Veterans Affairs who are coming, if any?

The CHAIRMAN: Well, I do not run the Department of Veterans Affairs so I might ask Mr. Way if he can comment on this at this time; it might be too early.

Mr. G. S. WAY (*Chief, Information and Public Relations*): It is not firm as yet. I suspect that the Deputy Minister will be a member of the official federal party and that Col. Chambers, our district administrator, in London, England, will be one of the staff officers and that I will be the other one. I do not know of any others who will be attending at the present time, sir.

Mr. ROCK: Yes, I know; but this is the situation: The Department has decided that three from the department are going; that means the Minister, the Deputy Minister, and yourself.

Mr. CARTER: I think, Mr. Chairman, it should be clear that there are really two parties—the official party and the Committee. These are two separate groups.

The CHAIRMAN: That is right. We have no authority as far as this is concerned—

Mr. ROCK: Excuse me. I would like to say that Mr. Ritchie should go too. I would like to see you all go! We are making a choice of so and so and so and so. I feel that as a Committee we are not doing the right thing when we start choosing one of the members from—

The CHAIRMAN: I would make another suggestion if it is agreeable. Why not wait until next Tuesday, when the Minister will be here, and ask him some questions about this?

Mr. ROCK: Personally, I would like to see most of the heads of departments within Veterans Affairs come with us on this trip.

Mr. HERRIDGE: I think that is a good suggestion, Mr. Chairman, to wait until the Minister is here and then discuss the matter.

The CHAIRMAN: Is this agreed? Does this mean we will let the motion that Mr. Chatterton proposed stand until next Tuesday? Thank you very much.

We will now proceed with the estimates.

As I have said, the deputy Minister is not here this morning. We have different people from the department again. I think that I should present them to the Committee, taking into account that some of them were not here at our last meeting. In the order of their sitting I will name them. This is mainly for the benefit of the people taking the transcript. The first one is Mr. Black who is departmental secretary; then Mr. Walsh, director, finance, purchasing and stores; Dr. Richie, director, treatment services; Dr. Misener, director of admission services; Mr. Rider, director veterans welfare services; Mr. Mann, chief, rehabilitation services; Mr. Way, chief, information and public relations; Mr. Pawley, director, land administration, Mr. Clark, land administration; Mr.

Senechal, land administration; Mr. Cromb, chairman, War Veterans Allowance Board; and Mr. Cross, deputy chairman, War Veterans Allowance Board.

Gentlemen, we have now reached our next item which is Vote No. 15, which is found at pages 533, 534, 535 and at the top of 536 of the estimates, which reads as follows:

15. Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the Governor in council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, \$5,563,900.

We shall now proceed with the questioning. The departmental officials who will reply to these questions, I think, are in order: Dr. Ritchie, Mr. Rider, and yourself, Mr. Black.

Do you have any questions on this vote, gentlemen?

Mr. CHATTERTON: Mr. Chairman, I am asking for information. On the departmental cemeteries and plots. How many of these cemeteries or plots does the department have in Canada?

Mr. BLACK (*Departmental Secretary*): Mr. Chatterton, three cemeteries and 32 plots are departmentally owned.

Mr. CHATTERTON: What is the difference in the 32 plots? In the three cemeteries are there 32 plots?

Mr. BLACK: There are three cemeteries owned by the department, and, in addition, the department owns 32 plots elsewhere across the country. Many of these were inherited from, or turned over by, the Department of National Defence following the war.

The CHAIRMAN: Are you continuing, Mr. Chatterton?

Mr. CHATTERTON: Are these cemeteries owned by the department—only veterans who die in veterans' institutions can be buried there. Is that correct?

● (10.00 a.m.)

Mr. BLACK: Many of the burials there are of those who died during the war and they are the responsibility of the Commonwealth War Graves Commission. Others who died—many at the start of World War II—were the responsibility of the Department of National Defence.

By and large, however, those who are buried there are, those for whom the department has responsibility, because they were on treatment strength at the time of death; In some instances there were burials of the "Last Post" type which are also supported by the department.

Mr. TOLMIE: You have an item there—"Commonwealth War Graves Commission, \$536,000," I was wondering how this is actually handled? Is there a direct grant to the commission, and why is the grant \$16,000 more this year than it was the previous year?

Mr. BLACK: The Canadian government is one of the participating governments in the Commonwealth War Graves Commission, and the Minister of Veterans Affairs is the Canadian agency of the commission.

The amount that we expend is 9.6 per cent of their total expenditures. That is reached on the basis of the proportion of Canadian burials to the total number of burials for which the Commission is responsible. They work out their budget and they inform us in ample time to get it in our estimates—the total estimated expenditures and the Canadian proportion of 9.6 per cent; and we, out of this vote, pay them, as the money becomes available, toward their total world-wide expenditures.

Mr. TOLMIE: What role do you have in regard to determining whether there should be any increase. Do you have any voice in the actual commission?

Mr. BLACK: As I say, the Minister is the Canadian agency. We also have a representative on the Commission, and as a matter of fact he is on their finance committee. That is our district administrator in London, England, Mr. Chambers. He looks out very carefully for the Canadian interest.

Mr. TOLMIE: Just as a matter of interest, would you have any explanation for the increase of \$16,000?

Mr. BLACK: No; it is just, as everywhere else, the increase in the cost of labour and material.

These cemeteries must be maintained, and in due course you will be seeing many of the cemeteries overseas and you will realize what a magnificent job they are doing. But all this costs money and the tendency is for it to increase.

Mr. TOLMIE: Thank you.

The CHAIRMAN: I would imagine, Mr. Tolmie, that our trip overseas might complete the answer.

Mr. ROCK: Mr. Black, I would like to get back to this item on the "Last Post" fund.

I would like some explanation about the operation of the "Last Post" fund. Do they own the cemeteries or does the department own them, and they just contribute financially towards the maintenance of certain cemeteries?

Mr. BLACK: With one exception, Mr. Rock. They bury in individual cemeteries, sometimes in plots which have been reserved, but frequently in individual graves. There is one exception to that. The "Last Post" fund itself does own a cemetery, "The Field of Honour", at Pointe Claire. But that is actually the only one in the country that is owned by the "Last Post" fund.

Mr. ROCK: Do they own that outright or does the department contribute anything towards that cemetery?

Mr. BLACK: The department does not contribute directly towards that cemetery. If the department is responsible for any burials in that cemetery—and we expect to be burying in that cemetery more frequently from the end of this

year—we will pay the going rate or a little less than the going rate for our burial privilege there.

Mr. Rock: Thank you.

Mr. HERRIDGE: Mr. Chairman, would the witness mind stating just how this fund operates, because quite a number of people do not understand just what the purpose of the "Last Post" fund is now.

Mr. BLACK: Well, gentlemen, the "Last Post" fund was initiated in the city of Montreal in 1909, and was operated on a provincial basis until 1921, when it received a federal charter under the Companies Act.

The purpose of it is to prevent veterans of Canadian or allied forces dying in Canada as indigents not receiving proper burial.

So far the fund has buried in Canada something like 30,000. During the year which has just ended, which was the largest year, they buried 1,100. They also bury veterans of the Canadian forces who die in similar circumstances in the United States or in the United Kingdom.

The "Last Post Fund Regulations set forth the principles under which the burial may be handled. These are that they must be veterans of the forces, their financial resources at death must be very limited, and, generally speaking, the people who are buried are those who have not died in jail or penal institutions—people who normally would have been entitled to respectable burial in a community. To prevent them from being buried as paupers this fund has been operating and the government supports it very largely. This is the purpose of this vote.

Now, in some instances, when the men die it turns out there are small estates and in the course of applying the regulations certain recoveries are made. The amount of these recoveries is very limited and in the past year there was only something like \$23,000 in all out of the 1,100 burials.

Mr. HERRIDGE: Would you mind explaining the procedure to get an application for assistance from the fund.

Mr. BLACK: Well, Mr. Herridge, if a man dies and the local veterans' organizations or community organizations or his friends or relations know of the "Last Post" fund—and we do the best we can to keep the country informed—they can apply to a local representative of the fund. There are branches in each province and there are representatives scattered throughout the provinces. They have standard forms of application; and they have standard procedures in determining the eligibility of the deceased veteran to be buried by the fund based on his service and his financial resources. The records of the department are available to verify his service as far as making him eligible for burial by the fund.

Mr. Rock: Would you know if every municipality is aware of this fund? Suppose there were a case where an indigent person dies; no one in the municipality knows if he is a veteran or not, or they find out that he is a veteran. Are they aware that there is this "Last Post" fund and that they could apply to it and have him buried by this fund rather than by the municipality?

Mr. BLACK: I am sorry, Mr. Rock, I cannot assure you of that. I do know they have a list of representatives amounting to a good many pages in length,

but I am sure there are not representatives in each community. However, in the regulations there is authority, when a man or woman has not been buried by the fund, due to exceptional circumstances, such as not knowing about it, the fund may later pay for the burial, providing it was handled in the fashion in which the fund would have done it.

Mr. HERRIDGE: If a veteran died in some isolated spot would you say that a telegram to the provincial command of any Canadian Legion would provide the information immediately to those concerned?

Mr. BLACK: I would hope so, Mr. Herridge.

The CHAIRMAN: Before we go back to Mr. Webb, there is one thing I want to make clear and that is that if any of you want to add some comments to Mr. Rider or Mr. Ritchie on any of the questions, do not wait for a question to be addressed to you. Let me know about it and I will control it with the witnesses over there.

Mr. WEBB: Mr. Black, this spring I heard of a veteran who had a heart condition. He had a slight stroke and was hospitalized. Apparently the hospital spoke to his wife and told her she could take care of him just as well as they could. She thought she was helping out by doing this—taking him home and leaving a bed for someone else. He did get home all right but he did not live very long. She applied for help to pay the funeral expenses. Apparently she was told that if he had died in the hospital it would have been taken care of, but because he died at home they could not do anything about it.

Mr. BLACK: I think this is a question for Dr. Ritchie. This man, I believe, was a patient at our departmental treatment centre. Is this so?

Mr. Webb: Yes.

Dr. K. S. RITCHIE (*Director-General, Treatment Services*): I would like to ask Dr. Misener to answer this question because he is the doctor responsible for it.

Dr. C. C. MISENER (*Director of Admission Services*): Under the Veterans' Burial Regulations the department may provide a funeral grant only where a veteran dies on departmental treatment strength, except where the Canadian Pension Commission later rules that death was attributable to service. If this veteran, who died at home, died of a condition that was not later ruled attributable to service, then there was no authority for the department to make any funeral grant.

Mr. WEBB: Mr. Chairman, I have one more question: Vote 15—Maintenance of Departmental Cemeteries and Plots. Last year's estimates was \$13,500; this year it is \$45,000.

Mr. BLACK: The reason for the increase, Mr. Webb, is that, as the Minister announced at a recent convention in Montreal, the department is undertaking a problem of rehabilitation of plots. Some of the plots, departmental and non-departmental, in which we have a number of burials, are not as creditable as we would have liked. We are now embarking on this program, and this accounts for the increase in the outlay.

The CHAIRMAN: I have Mr. Carter next on the list.

Is it on the same question, Mr. Clancy, as that raised by Mr. Webb?

Mr. CLANCY: No; I will come back to the last vote later.

Mr. CARTER: I am coming back to the last vote dealt with. I think Mr. Black partly answered my question when he said the government largely supports this fund, which implies that this \$370,000 is in the nature of a grant to the fund. Is that correct?

Mr. BLACK: In effect, Mr. Carter, yes. All the moneys that they need to maintain their operation are furnished out of this vote. As I said, they do get small amounts from some estates and in some areas they have campaigns, or they receive other general moneys that they put into the fund.

Mr. CARTER: They have other sources of funds apart from this grant, even though rather limited?

Mr. BLACK: It is not a grant. It is reimbursement for expenses. We pay them as the burial occurs, according to a scale set forth in the regulations.

Mr. CARTER: Yes. This grant is the same this year as it was last year, and, I presume, as the year before. I was just wondering what was the basis of the grant. Is it aid in accordance with their expenditures? They spend \$370,000 and we reimburse them with \$370,000. Is that it?

Mr. BLACK: No; we reimburse them on the basis of accounts submitted for expenses actually paid towards burial.

Mr. CARTER: So that we may not use up all of this \$370,000. We may keep it? Is that it?

Mr. BLACK: Most likely this year we will use it all, because rather unexpectedly last year the number of burials was greater than it had ever been before. This was contrary to the recent trend.

Mr. CARTER: Yes.

Mr. BLACK: Fairly recently the "Last Post" fund regulations were amended to make it possible to pay undertakers more than they had been paid previously. We feel this may, in part, be the reason for the increase in the burials. It depends entirely on the rates set forth in the regulations, and the burials actually made.

Mr. CARTER: Thank you very much.

The other question I have is on memorials. Are there any cases in which a memorial marker—and I do not mean just a grave marker, but a memorial marker—has been erected in a cemetery where there are no graves? I am thinking of a community that does not have a war memorial out in the village square. They decide to put something up in the cemetery in honour of the war dead although there may be no actual graves there. Are there any such cases?

Mr. BLACK: Not to my knowledge, Mr. Carter, in Canada. There may well be overseas, of course. In Canada, the only memorials—aside from community efforts—in which the department has any real interest—and for which we have no responsibility—are in cemeteries in which there are veteran burials and burials for which the Commonwealth War Graves Commission is responsible because the death occurred during the war.

Mr. CARTER: Now, on Remembrance Day the department expends some money on wreaths for some memorials, but not all in Canada, does that come out of these funds?

● (10.15 a.m.)

The CHAIRMAN: Mr. Way, would you please answer that.

Mr. MANN: It is a special appropriation in administration.

Mr. CARTER: There is a special—

Mr. MANN: It is just a general administration vote that pays for these 10 wreaths that are made in the provincial capitals.

Mr. CARTER: That is confined only to provincial capitals.

Mr. MANN: That is right, sir.

Mr. CARTER: Does the War Graves Commission have any influence at all with respect to memorials being erected in communities?

Mr. BLACK: No, Mr. Carter. They have the responsibility only for the graves of those who died during the stated periods of World War I and World War II. They themselves have a form of a cross and another form of memorial which they erect in the cemeteries in which they have a great number of graves. They have no further responsibility other than any advice they might give for other memorials.

Mr. CARTER: The reason I asked that question is that I have in mind that the town of Gander at some time was trying to get some sort of a memorial. I am not clear on the details, but it seemed that it was a decision that would have to be made by the Commonwealth War Graves Commission. I could never understand how they entered into the picture.

Mr. BLACK: Mr. Carter, the memorial that was being contemplated was the type of memorial erected by the War Graves Commission, to be placed in a cemetery in which there are a number of war graves.

Mr. CARTER: Yes.

Mr. BLACK: I understand that the commission was expected to bear the cost of erecting the memorial.

Mr. CARTER: That comes back to my first question of whether they could erect that kind of memorial. I asked it in respect of cemeteries where there were no graves but this was a case where there were war graves.

Mr. BLACK: I am not a member of the Commonwealth War Graves Commission, but I suspect that, in deciding whether or not they should erect a memorial, they would take into account the cost of the memorial compared with the number of graves in the cemetery.

They have only limited funds and they must use some judgment in deciding where it would be most appropriate to erect these rather prominent memorials. It might not really be appropriate, if there were only a scattered few graves in the cemetery.

Mr. CARTER: Thank you.

Mr. CLANCY: Mr. Chairman, most of my questions have been answered, and the question I was going to ask I know the answer to anyway.

Mr. HERRIDGE: Mr. Chairman, this item "Grave Markers", \$155,000: I am interested in this because on one occasion our family gave the cemetery for the veterans buried in the North Arrow lakes. There are a number of markers there that have been provided for the veteran who had died. I remember on one occasion there were some of these bureaucrats; you know, who were coming along and they suggested that they would have to move all these markers and put them in a row somewhere else and leave the rest alone, and so on. The member for Kootenay West plus the widows defeated the bureaucrats.

I would like the witness to indicate the procedure with respect to these grave markers.

Mr. BLACK: Dr. Misener, I think, can help you with this.

Mr. MISENER: Mr. Chairman, under the Veterans' Burial Regulations, in general, a grave marker can be supplied by the department—possibly not the whole cost—where a funeral grant can be awarded. Of course, the burial can be in a local cemetery; and in the case of the marker, it is of a departmental standard.

I cannot tell you the numbers. In 1964-65 there were about 4,400 deaths of veterans on treatment strength, and of those a grant was made in 1,594 cases. It could be assumed in general that grave markers went along with the grants.

Mr. HERRIDGE: Then the marker was provided when the veteran was on departmental strength and receiving treatment?

Dr. MISENER: And where burial grant actually was made.

Mr. HERRIDGE: Yes.

Mr. WEBB: Mr. Mann, you mentioned that the Dominion sent out 10 wreaths for the provinces. Have you ever had a request from the Yukon or the Northwest Territories?

Mr. MANN: Not to my knowledge, Mr. Webb.

Mr. WEBB: What would be your reaction to this?

Mr. MANN: Well, I do not think the department would have any objection to providing a government of Canada wreath in the Northwest Territories or the Yukon if somebody did ask; but we would have to get the Minister's approval, of course. This is a government of Canada wreath; that is, the inscription reads that way.

Mr. WEBB: Thank you.

Mr. KENNEDY: The doctor has just said something about "the grave markers include the burial grounds". I note that funerals are also an item here. What is the difference between "funerals and burials"?

Mr. MISENER: We define "funeral" as the activity carried out, in general, by the undertaker, and we define "burial" as the plot in the cemetery and the opening and closing of the grave. This is mentioned in the definitions in the Veterans' Burial Regulations.

Mr. KENNEDY: They are just separated for those purposes.

Mr. MISENER: Yes; they are separated for administrative purposes.

Mr. KENNEDY: Thank you.

Mr. CHATTERTON: Mr. Chairman, with regard to re-established credits, does this apply only to this section in so far as compensating adjustments with regard to delays, and so on, or does this apply also to the whole question of the amount of re-established credits still not claimed?

Mr. E. J. RIDER (*Director, Veterans Welfare Services*): Mr. Chatterton, the re-establishment credits, which have not been used, are still available up until October 31, 1968. There are some 58,000 accounts still in effect, with a liability of slightly over \$8 million.

Mr. CHATTERTON: Is the department proposing any kind of a scheme to advise these people who have not claimed credit?

Mr. RIDER: I am sorry, sir—

Mr. CHATTERTON: Has there been any proposal to advise these people of the availability of these re-established credits?

Mr. RIDER: Yes, sir; there are frequent advertisements made in veterans' magazines, et cetera, advising that credits will close on this date. Mr. Way, the chief of information, arranges for periodic news stories on the matter. In recent years we did a complete survey of all people who had balances of re-establishment credits that had not been used. We contacted all of them and advised them that they were there and could be used.

Mr. CHATTERTON: What will happen to these 58,000 accounts? What would happen if, after October 31, 1968, a veteran, who is qualified under the Veterans' Land Act, repays his re-establishment credit in order to get the V.L.A. benefits and then does not apply for the V.L.A. benefits?

Mr. RIDER: This is no longer classified as a re-establishment credit. In other words, he has used his credit, repaid it, in order to settle under the Veterans' Land Act. Then, if he did not settle under the Veterans' Land Act, or gain benefit, the money which he had repaid, or part of it—it depends on the benefit he had received—would be reimbursed to him.

Later on in the estimates you will see a statutory item on this, which provides for the reimbursement of that money which he paid in to repay the credit.

Mr. CHATTERTON: He can get it back, then?

Mr. RIDER: That is right, sir.

Mr. CARTER: My questions deal with education on page 534.

I notice that there is quite a drastic reduction in the vote for university and vocational training—\$22,000 as compared with \$39,000 last year—and the children of the war dead (educational assistance) is up slightly, but not to any significant extent. I wonder if we could hear something about the numbers taking advantage of education benefits under the Department of Veterans Affairs, and the reason for this drop in the vote for university training?

Mr. RIDER: Mr. Chairman, the item "University and Vocational Training" is not related to the "Children of War Dead" training. It relates to the training, or

retraining, of pensioners. For example, a man may have been rehabilitated 25 years ago and now he needs re-rehabilitation.

The reason for the drop, of course, is that with the age of veterans there are fewer and fewer who are prepared to embark on training. We do not normally have more than 15 to 20 in training at any given time. It is merely the drop in the numbers which is resulting in a slight drop in the money.

Mr. CARTER: The training they would be getting under this vote would be mainly vocational training.

Mr. RIDER: It can be either, Mr. Carter. There are a couple of university trainees under the scheme. We still have some Korean veterans who are quite young, and occasionally we do provide university training to pensioners who need the training. But mainly this is a vocational type training.

Mr. CARTER: The university education of the children of the war dead comes under the other vote of \$815,000.

Mr. RIDER: That is right, sir. We have, if I might say, gentlemen, a very satisfying program for the children of the war dead. There is nothing which provides more pleasure for people administering a program than to see it providing some real benefit to people who have a great opportunity to use what they are getting.

Last year, under this program, there were about 880 children in universities or schools. About 77 per cent of these trainees take university training. Thirteen per cent take other post-secondary training and about 10 per cent are nurses-in-training. You will remember that the basic qualification for assistance under this act is that the training must be post matriculation training.

While I am speaking on this I would like to mention the extension program. You may recall that at the time extensions in this training were approved by the Minister in 1961, he stated that the department would always be prepared to give a report on this extension program to the Committee. I thought you might like to know that during 1965-66 there were some 79 extensions granted.

Perhaps I should explain what I mean by "extensions". Under the Children of War Dead (Education Assistance) Act there is a normal period of training described as a maximum which is four academic years, or 36 months, whichever is the lesser. The four academic years relates primarily to the university training. The 36 months, of course, relates primarily to nurses-in-training, who are training for three years, 12 months of the year.

Where a student passes all his courses and requires longer than that time to achieve a level of training which will enable him or her to practice his or her chosen profession, the Minister may extend the period during which assistance may be granted. Examples are young people taking medicine or engineering where the university course goes beyond the four years.

To date, since 1961, there have been 197 such extensions granted. As I said, last year 81 applications were received. During the last year there were 103 students under extension in training. To date, 78 students who have had extensions had completed their training. About 98 are active as of the end of the last school year. There have been very few failures or withdrawals; there have been a few deferrals because of illness or because of special training programs. We will defer a student who has been granted an extension, for example, if his

training calls for some training outside of Canada because normally benefits can only be paid in Canada under this act.

● (10.30 a.m.)

An example of this was the young student who won a Rhodes scholarship. His training under this Act was deferred until he completed his Rhodes scholarship and came back to Canada. This is a very—

Mr. COWAN: Pardon me, but may I ask what further training he would need after he came back with a Rhodes scholarship?

Mr. RIDER: Well, sir, it is sometimes very difficult to say, when you have a brilliant student, whether the Rhodes scholarship has taken him as far as he wished to go. Actually this young man did come back, he did not require any additional training and he is now employed by the government of Canada.

Mr. COWAN: A Rhodes scholar is bound to be!

Mr. CARTER: I would like to ask you, Mr. Rider, if the department is keeping any kind of record of these students after they graduate so that we may have something that will show, in the future, what has been accomplished by these people?

Mr. RIDER: Not a long-term record, Mr. Carter. Each student is followed up, after the completion of his training to find out where he is employed and what he is doing. We do not follow up his career.

It is very difficult to get people—veterans or anyone else—to advise us when they move, when they change their address; it is very easy to lose people.

Mr. CARTER: In selecting the students under this program are there any limits on the students selected because of the amount of the vote? Is that ever a limiting factor?

Mr. RIDER: Well, sir, it certainly is not. I would suggest, if you look at the amount in the vote for last year, you will see \$795,000. I checked this this morning, and the expenditures for last year were \$930,000. In other words we had to go back and ask for more money. We certainly had no intention of limiting this type of action by the amount of money allocated, because we feel sure that parliament would be only too happy to provide the money necessary to educate these children to take their place in our own economy.

Mr. CARTER: Yes. In selecting students, are there any limits imposed by academic ability or academic training?

Mr. RIDER: Yes, there are some limits, Mr. Carter. As I mentioned earlier, the student must have matriculation, or equivalent education, to gain any assistance under this act. During the period of training a student who, for example, gets two supplementaries to take in one year, and fails them both, cannot be helped for the next year; he may not carry more than one supplementary. But that if the student repeats that year at his own expense and makes good those subjects, then we will pick him up again.

Mr. CARTER: I was more interested in the students selected for the first year. Can it be said that any student whose parent has the service qualifications and who also has matriculation can be taken care of under this fund? In other words, do we skim off the cream?

Mr. RIDER: No, we do not skim off any cream at all. The first thing as you will realize, is that the child must be a pensioner himself following the death of the parent and that he must have the matriculation level; and if the training takes place in an approved institution, then there is no other limit.

The institution must be one—or the course the child wants to take—must be one which involves post-secondary training. On occasion we have had schools which run courses where there is no level required for admission to the course. In other words, they will take the student at grade 9, or grade 10, or matriculation, or what have you.

Mr. CARTER: These institutions are normally not approved under the act?

Mr. RIDER: Any child, any eligible child . . .

Mr. CARTER: "Eligible" is the area of definition. Any child who has matriculation and meets other requirements—the fact that he has matriculation—is taken care of?

Mr. RIDER: That is right.

Mr. CARTER: Just one more question. I am interested to note that you still have some correspondence course going. They have been going now for almost 30 years.

Mr. RIDER: Yes, sir. These are the courses originated during the war, the numbers we have now are far fewer than they have been in the past. Last year there were some 6,500 courses issued. More than half of these are issued to members of the armed services—not necessarily veterans.

Mr. CARTER: Oh, I see.

Mr. RIDER: There are provisions for people who are not veterans to take these.

Mr. CARTER: Yes. Have you any figures on veterans who would be actually taking these courses. Are there still veterans taking these courses?

Mr. RIDER: Oh, yes. There were 267 veterans in the armed forces, who took them last year; there were 38 veterans in hospitals, 164 veterans working in the civil service, 159 veterans in penitentiaries, 12 veterans who were members of the R.C.M.P. and 772 veterans who go about their normal jobs, who took courses last year.

Mr. CARTER: Do these courses go beyond matriculation level?

Mr. RIDER: No, sir.

Mr. MADILL: This has no relation to the Legion scholarships, has it?

Mr. RIDER: No, sir. This has nothing to do with the Legion scholarships, as such.

Mr. MADILL: I know that they have to qualify there—that there must be need—and that the child must have the ability, but if they do not have the need they do not qualify.

Mr. RIDER: We encourage children who are not eligible under the Children of War Dead (Education Assistance) Act who want to go on to school to apply to the Legion for scholarships. In other words, the child who is not pensioned

following the death of the father is not eligible under this Act, but Legion scholarships are available, and many others.

Mr. MADILL: Where there is a widow and where, naturally, there is nobody at the Legion who knows about them, how do some of these children get to know that these things are available to them?

Mr. RIDER: Well, sir, we get a lot of letters in the department not only from individuals but through members of Parliament. Then, of course, we have a welfare officer who visits the mother and the child—

Mr. MADILL: Periodically—

Mr. RIDER: Yes; and, of course, they can find out by going into our district offices, or seeing an itinerant welfare officer when he is in the community.

Mr. WEBB: What is the average cost of the correspondence courses?

Mr. RIDER: You mean to the government, or to the individual?

Mr. WEBB: To the government?

Mr. RIDER: To the government—about \$30 a course, I would say. This is a guess, but I am just thinking of the number of courses we have in our total expenditures.

Mr. ROCK: On Vote 20, "Compensation for Loss of Earnings," can that be explained—

The CHAIRMAN: You cannot go on to Vote No. 20.

Mr. ROCK: I thought you had mentioned this.

Mr. HERRIDGE: Let us take them in order, Mr. Chairman.

The CHAIRMAN: Are there any other questions on Vote 15?

Mr. CLANCY: Have there ever been any limitations on applications for DVA education?

The CHAIRMAN: Mr. Clancy, would you turn towards the microphone, please?

Mr. CLANCY: Mr. Chairman, the question I want to ask is: Have we any limitation on DVA education? As World War II veterans we were warned that we either took it or we did not. Has this been extended to our Korean veterans and our peacekeeping forces?

Mr. RIDER: It was extended to Korean veterans. The Veterans Rehabilitation Act is time-expired in fact.

There is only one trainee under that Act and this is a man who has been in hospital for a long time and has nearly finished his course. The Veterans Rehabilitation Act does not apply to members of the regular forces even though they serve in special service areas.

So far as veterans who serve in special areas are concerned, if they are pensioned then they would come under the pensioners' training regulations. But the Veterans Rehabilitation Act, as such, is time-expired.

Mr. CLANCY: Thank you.

Mr. CHATTERTON: I notice the witness referred to allowances. Are those available to only certain veterans now.

Mr. RIDER: Yes, sir; just to veterans settling on the farms under the VLA. Most of the ones on now are people in northern Alberta where certain provincial lands were opened up for VLA settlement and the people settled received the "Awaiting Returns Allowances".

Mr. CHATTERTON: But they still are all eligible? Anyone who is established under the VLA—

Mr. RIDER: Anyone who is established under the VLA on a farming project.

Mr. HERRIDGE: Mr. Chairman, just one further question. You mentioned earlier in your evidence, Mr. Rider, with respect to vocational training, the training of nurses, if I heard correctly.

Mr. RIDER: No; that was in connection with the Children of War Dead (Educational Assistance) Act.

Mr. HERRIDGE: Oh, not with respect to vocational training.

Mr. RIDER: Not with respect to vocational training; no, sir.

In the case of those children who want to be nurses, normally there are no fees but we pay them the allowances. In many parts of the country student nurses get very little in the way of remuneration and the allowances are very necessary to help them to continue their training courses.

An hon. MEMBER: I agree.

The CHAIRMAN: Are there any other questions on Vote 15?

Shall Vote 15 carry?

Some hon. MEMBERS: Item agreed to.

The CHAIRMAN: We will now pass to Vote 40 at pages 541, 542 and 543, which reads as follows:

40. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein, \$4,320,900.

Mr. CLANCY: What time do you propose to adjourn?

The CHAIRMAN: At eleven o'clock.

Mr. CLANCY: At eleven?

The CHAIRMAN: When the bell rings.

Mr. CLANCY: Mr. Chairman, I would like to ask a question about the soldiers' settlement, which was at the end of the first world war. It is my understanding—and I could be quite wrong—that all the debts of the old soldiers' settlement deal was written off.

Mr. R. W. PAWLEY (*Director, Land Administration*): We had one soldier's settler last year, when I appeared before the Committee, who has since paid. This is a veteran of World War I, settled as a soldier-settler. We have seven others who are occupying soldier settlement land and we call them soldier-settlers but they are not, in effect, soldier-settlers. To all intents and purposes this plan is just about finished.

Mr. Chairman, I had a brief statement to make but it may take five or six minutes.

The CHAIRMAN: Please go ahead, Mr. Pawley; it will certainly be of interest to the members.

Mr. PAWLEY: I have some charts to hand out, if I could have your permission to do that, sir. They will help the members to follow what I say.

The CHAIRMAN: Please do. Is the Committee agreeable that we place these charts as an appendix to the evidence?

Mr. PAWLEY: Mr. Chairman, an impression may exist in the minds of some members of parliament and others that the Veterans Land Administration is a dying agency of the government. In fact, in casual conversation some people have already relegated us to the back pasture.

● (10.45 a.m.)

Actually, the ratio work per employee has never been as high since inception. The amendments to the Act in 1965 have been responsible for this upsurge.

A brief review of these changes may be interesting. Loans for commercial farmers permit a maximum amount at any time of \$40,000 with an interest rate of 6½ per cent on any amount in excess of \$20,000. The maximum assistance to small family farms is \$18,000. Farmers may reborrow up to the maximum amount after repayment of a reasonable part of the principal.

The purpose for which farm loans may be made has been broadened. Included in this amendment were provisions to advance financial assistance to acquire or develop a secondary enterprise which may not be related to farming. Parts of rural Canada have now been industry-oriented. Industrial growth together with expansion of recreational facilities has created new incomes in rural communities. The increase in the size of commercial farms is creating job opportunities and the whole pattern of the farm community is changing. Loans are possible to permit qualified farmers or their sons to capture this source of new income.

The total amount available for smallholders under the part time farming provisions is \$18,000, which includes their \$2,600 down payment. Re-establishment credit may be paid by incorporating the amount in the agreement for sale.

A revolving fund containing \$380 million, called the Veterans' Land Act Fund, has taken the place of annual appropriations for loan expenditures.

Contained in this fund is about \$280 million which represents the existing V.L.A. investments. The balance, supplemented by principal payments, will be used to meet future loan expenditures.

Several other administrative amendments were made, involving life insurance, permission for a veteran to lease his own property after the ten-year period, passing back to the veteran the responsibility connected with building insurance coverage, and others.

Possibly one of the significant amendments had to do with a plan to bring the act to an orderly termination. This will be done in three separate stages, each of which is tied to a date. On October 31, 1968, all veterans wishing to come under the act must have been issued a qualification certificate which protects their eligibility for assistance. On March 31, 1974, applications for financial assistance for a new establishment will not be accepted after this date. On March 31, 1977, applications for any loans will not be accepted after this date.

Before dealing with the 1966-67 forecast of business may I draw your attention to the graphs which have been distributed, and in which is conveyed the V.L.A. activity during the fiscal year 1965-66 compared to that of the previous year. Graph No. 1—number of loan approvals: The national column on the right indicates total loans in 1956-66 as 6,656 or a 26 per cent increase from the previous year.

Mr. CHATTERTON: Does that include additional loans?

Mr. PAWLEY: That includes all loans, Mr. Chatterton.

The bottom part of each bar graph compares the farm loans for each year and the top part compares all other loans. A similar graph comparison for each district is displayed.

Graph No. 2—the amount of loan approvals: The amount of \$52 million, an increase of 49 per cent from 1965-66, reflects the effects of the amendments to the Act.

The third graph—administrative costs: In spite of an increase of 26 per cent in numbers of loans, our administrative costs increased only one per cent from that of the previous year. It is natural that a certain volume of increased business can be absorbed by the staff with a reasonable degree of ease, but I think that a 20 to 25 per cent increase is the limit.

There are other significant reasons which caused our costs to be maintained at the same level. One: the administration introduced an effective new financial management program during the early part of last year. Two: streamlining of procedures was introduced, and as much paperwork as possible eliminated. Three: systems were introduced which speeded up processing loans and cut out unnecessary steps.

Every effort is exerted to provide a service as good as, or better than, that with which veterans have been provided in the past. Additional loans to a small holder are now processed similarly to bank loans. Veteran interviews are arranged at the field offices, which saves field time. Records of insurance premiums due on building insurance are no longer maintained by the office staff. Telephones are used to save abortive field trips. Qualification procedures

have been streamlined; reports have been simplified. The foregoing wave of efficiency is the result of supervisors in the field being responsible for a designated management unit. Each of these managers prepares the estimates for his own unit, which after acceptance, become his budget.

The work of the field staff is measured by a simple selected standard which transposes the functions they perform into units of production. One unit of production is equivalent to one eight hour day. In this manner the field manager can compare the actual production to what would be expected from the actual working day in a given period. This system provides a great deal of information which the supervisor needs to carry out his management function. The field staff has accepted this type of control because the manager takes action only when his records tell him something is wrong.

Work measurements have permitted the development of costs in any manner desirable. Last year the average per unit cost of production was \$92.25 for 47,183 units. When the estimates were analyzed at head office last October forecasts of 1966-67 costs were calculated at \$92.21 per unit. Provided the forecast of production is reasonably accurate our estimates for administrative purposes should continue to be fairly accurate with considerably less guess work to arrive at the total amount.

The foregoing provides a sketch of our program with emphasis on administrative changes. Projecting trends for the next five years, with emphasis on 1966-67, indicate a strong steady work load.

No. 4, the graph on qualifications, shows an 80 per cent increase in the number qualified over the previous year. It is significant to note that the Ontario increase is 134 per cent. Since inception, the percentage established to the number qualified is 66 per cent. In 1965-66 the percentage established was 40 per cent, because many applicants were protecting their eligibility because of the 1968 deadline.

Based on these trends, in excess of 30,000 will be qualified but not established at the cut off date by 1968.

The last graph shows the relationship between qualifications and total number of loans, and reflects the trends after three amendments of the act in 1954, 1959 and 1962. In the month of April of this year the number of loans were triple that of the same month last year.

It is my considered opinion that the workload for 1966-67 will increase by 30 per cent, or more, over that of the fiscal year 1965-66. While we will do whatever possible to keep the costs down I am afraid that supplementary estimates will be required during the year. Because the work will possibly drop off next year or the year after and then continue on a gentle decline, it is our desire not to hire staff which may become surplus to requirements within three years or so.

The following actions have been, or will be taken to deal with the pending situation. At least eight additional field men will be employed; the field staff will be moved from a light work area on a temporary basis to help process work in a heavy field area; employ available retired V.L.A. staff on a casual basis; establish priority of work functions if possible, appeal to some veterans to

defer establishment for a brief period; and reduce work functions to those matters vital to new establishments. That, sir, is my statement.

The CHAIRMAN: Thank you very much, Mr. Pawley.

Mr. CHATTERTON: May I ask if a copy of Mr. Pawley's valuable statement could be circulated for us to study, because it will not be in the proceedings for our next meeting?

The CHAIRMAN: Is this possible, Mr. Pawley? How soon can we have it?

Mr. PAWLEY: I can have it this afternoon, I think. I apologize for not having it this morning but I did not think I would be called as a witness until next Thursday.

The CHAIRMAN: Mr. Pawley, if you would send them to the Clerk it might be possible to for him to have them passed around to the members by a messenger.

Mr. HARLEY: Mr. Chairman, in keeping with the statement, and if it is technically possible, I was going to say that the graphs which Mr. Pawley has introduced as evidence are very interesting and very informative to other people who may wish to follow the minutes of this meeting—if it is technically possible I would suggest that they become part of today's proceedings.

The CHAIRMAN: Yes; well, this came as a suggestion before. It may be possible. I am told that it will delay the evidence a couple of weeks.

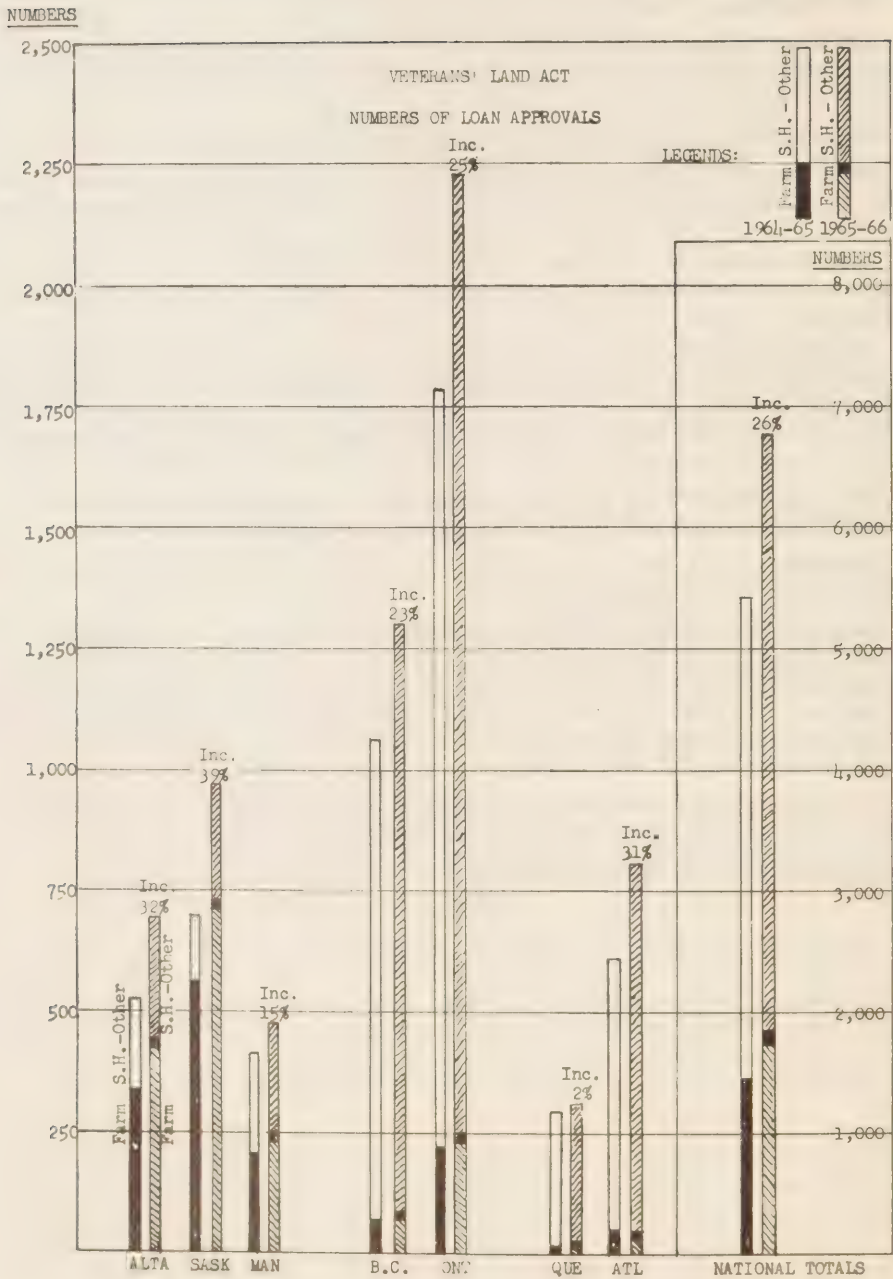
Gentlemen, it is now two minutes to 11 o'clock and I do not think we should proceed with questioning.

For your information, our next meeting is next Tuesday at 11 o'clock in the morning. I hope that the members will be here as soon as possible that day, although some of the members will not be coming back. The Minister will be here and we will deal first with Vote No. 1. We will hear the comments of the Minister, ask him questions on that vote and then we will revert to Vote 40 and ask questions on Vote 40 afterwards.

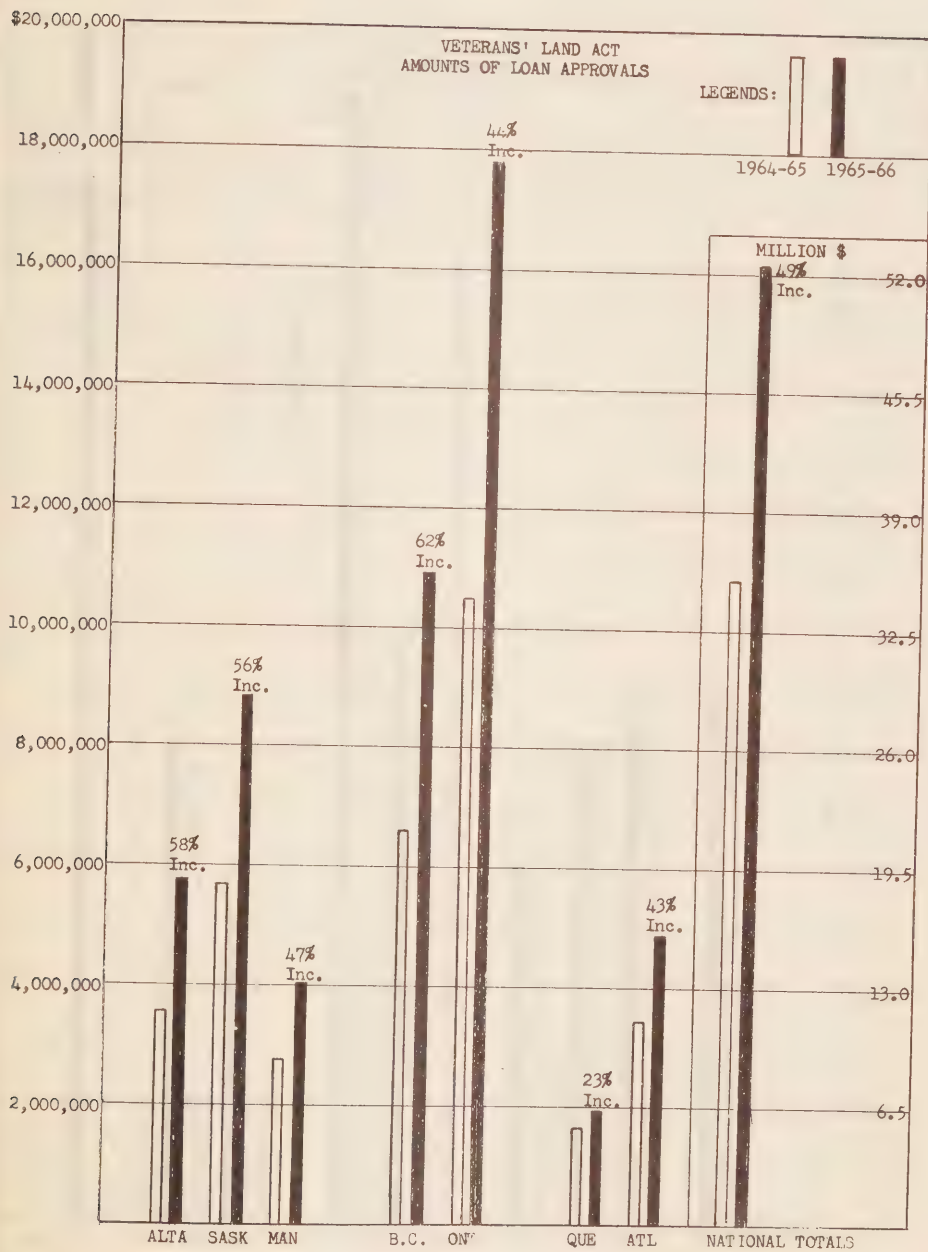
I have noted the names of Mr. Chatterton and Mr. Harley, who have shown me by hand that they would like to ask questions first next Tuesday.

The meeting is adjourned until next Tuesday. Thank you, gentlemen.

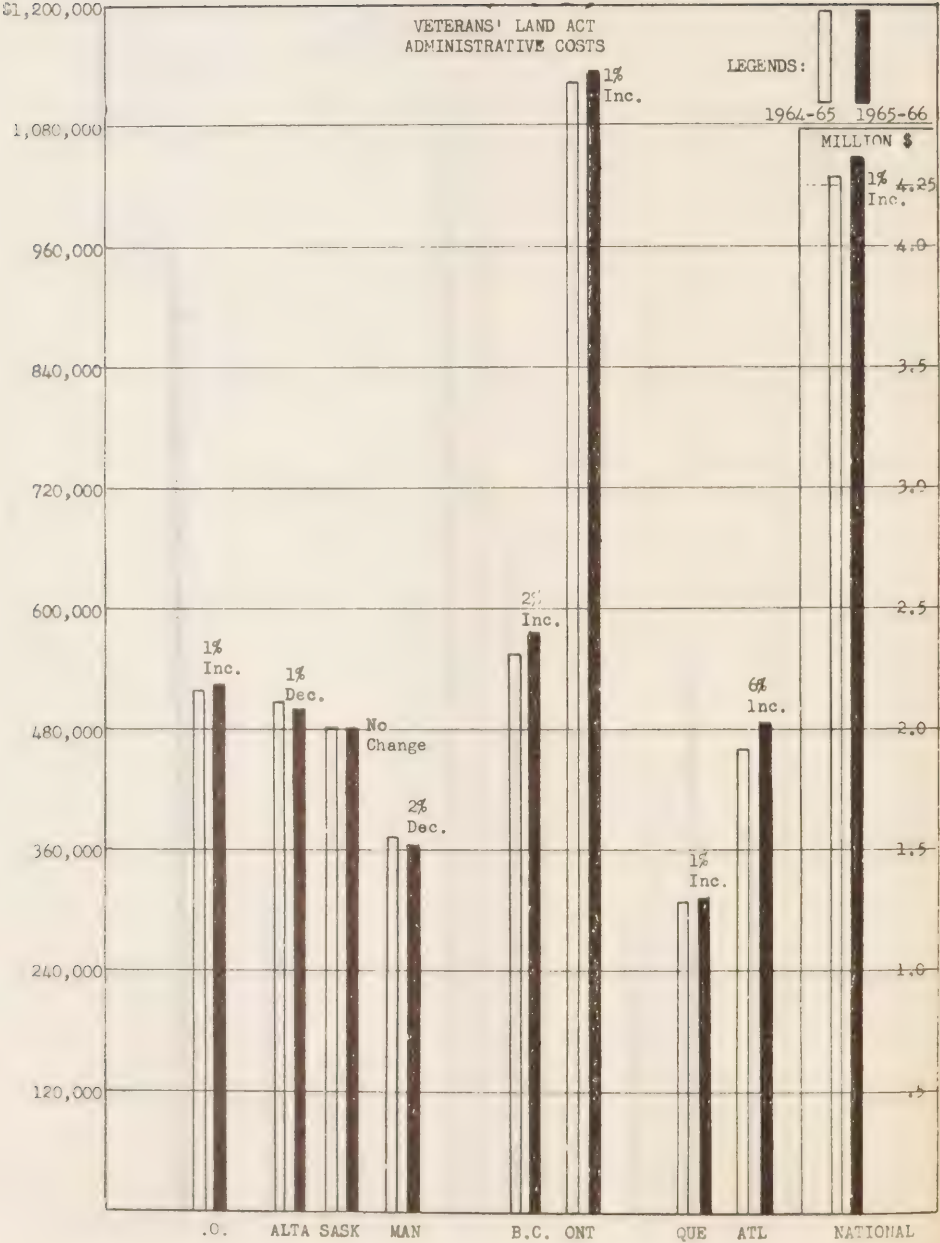
APPENDIX 1



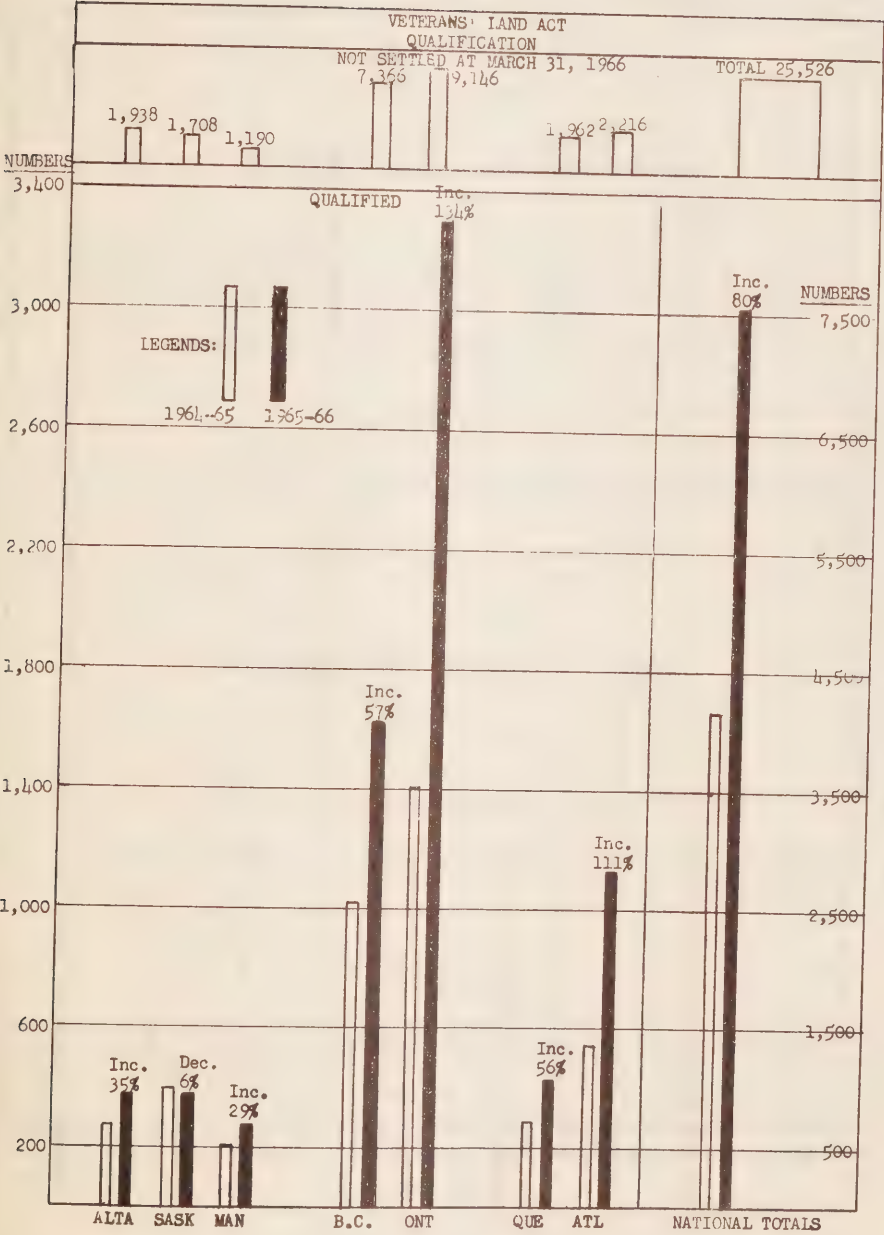
APPENDIX 2



APPENDIX 3

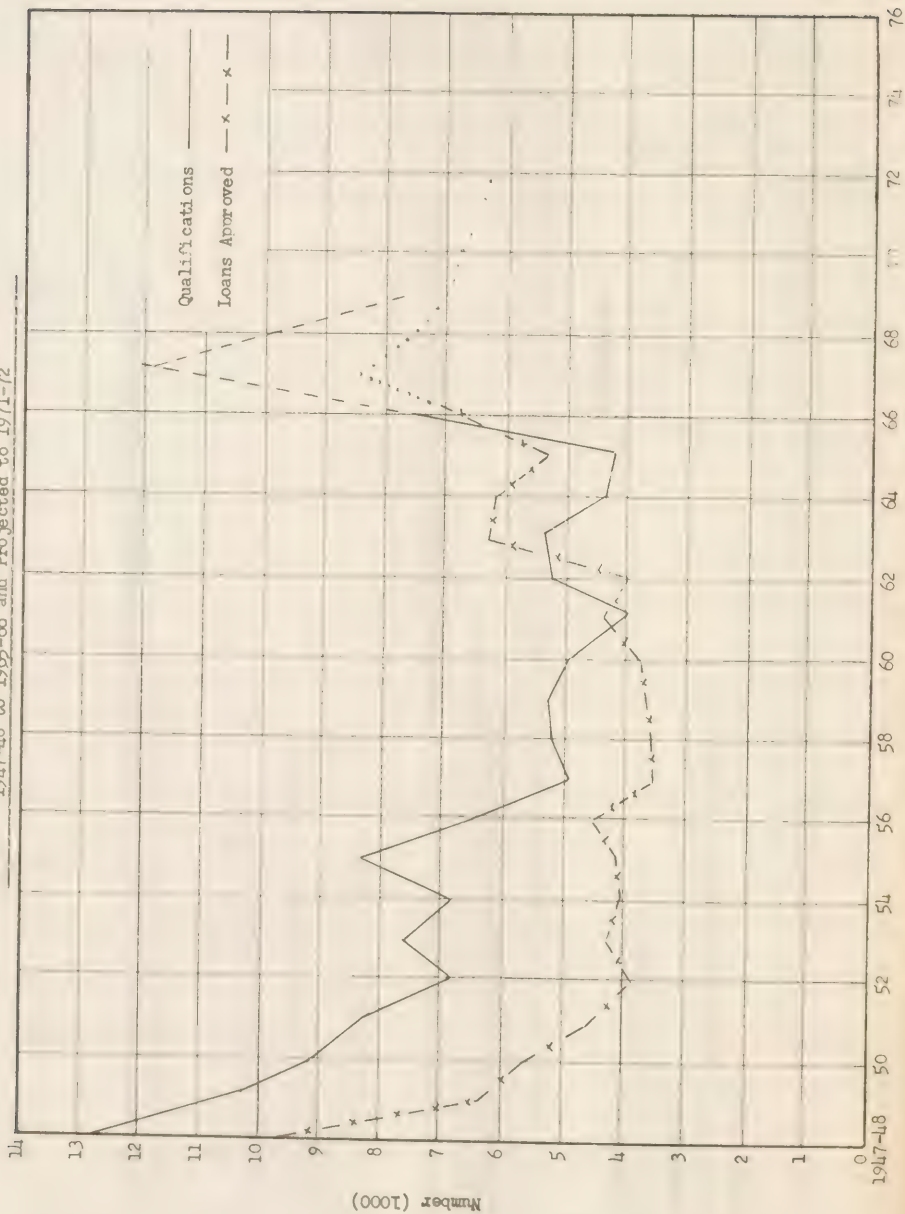


APPENDIX 4



APPENDIX 5

No. of Qualifications and Loans Approved - Veterans' Land Act
1947-48 to 1965-66 and Projected to 1971-72



CURRENT ISSUE
KEPT IN STACKS

Canada *Parliament* HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

TUESDAY, MAY 24, 1966

Respecting the

Estimates (1966-67) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Honourable Roger Teillet, Minister, Mr. Paul Pelletier, Deputy Minister, Mr. R. W. Pawley, Director of Land Administration, Mr. W. T. Cromb, Chairman, War Veterans Allowance Board, Dr. K. S. Ritchie, Director General Treatment Services, Mr. G. S. Way, Chief of Information and Public Relations.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,	Mr. Herridge,	Mr. Matheson,
Mr. Chatterton,	Mr. Kennedy,	Mr. Morison,
Mr. Clancy,	Mr. Latulippe,	Mr. Ormiston,
Mr. Cowan,	Mr. Legault,	Mr. Rock,
Mr. Émard,	Mr. MacRae,	Mr. Thomas (<i>Maison-</i>
Mr. Fane,	Mr. Madill,	<i>neuve-Rosemont</i>),
Mr. Groos,	Mr. Martin (<i>Timmins</i>),	Mr. Tolmie,
Mr. Habel,		Mr. Webb—(24).

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, May 24, 1966.

(10)

The Standing Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Émard, Groos, Habel, Harley, Herridge, Laniel, Latulippe, Legault, MacRae, Rock, Thomas (*Maisonneuve-Rosemont*), Webb—(16).

In attendance: From the Department of Veterans Affairs: Honourable Roger Teillet, Minister and Messrs. Paul Pelletier, Deputy Minister, C. F. Black, Departmental Secretary, F. T. Mace, Assistant Deputy Minister, P. E. Reynolds, Chief Pension Advocate, R. W. Pawley, Director, Land Administration, G. L. Mann, Chief of Rehabilitation Services, G. S. Way, Chief of Information and Public Relations, William Stojich, Senior Administrative Officer, B. A. Clarke, Financial Co-ordinator, T. D. anderson, Chairman, Canadian Pension Commission, L. A. Mutch, Deputy Chairman, Canadian Pension Commission, W. T. Cromb, Chairman, War Veterans Allowance Board, Paul Cross, Deputy Chairman, War Veterans Allowance Board, P. B. Curd, Executive Assistant to the Minister, J. E. Walsh, Director of Finance, Purchasing and Stores, K. S. Ritchie, Director General of Treatment Services, C. C. Misener, Director of Admission Services; *from the Royal Canadian Legion (Dominion Command):* Messrs. D. M. Thompson, Dominion Secretary and Herbert H. Hanmer, Service Officer.

The Committee resumed the consideration of the Departmental Estimates (1966-67).

The Chairman introduced the Honourable Roger Teillet, Minister of Veterans Affairs, and the Minister read a statement.

The Committee proceeded to the questioning of the Minister and his Officials.

The Chairman thanked the Minister for his statement and for having accepted the Committee's invitation to attend.

At 12.00 o'clock noon, the Minister asked to be excused and left to attend a cabinet meeting.

At the request of Mr. Herridge, it was *agreed* that the Department of Veterans Affairs make available to the Committee, a list of War Cemeteries in Europe, indicating location and number of burials.

Item 40, of the Departmental Estimates was severally examined and carried.

At 12.30 o'clock p.m., the examination of the Estimates continuing, the Chairman adjourned the Committee to 9.30 a.m., Thursday, May 26, 1966.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by electronic apparatus)

TUESDAY, May 24, 1966.

● (11.00 a.m.)

The CHAIRMAN: Gentlemen, I now see that we have a quorum. I welcome you back to Ottawa after a long week-end. We have the pleasure of having with us this morning the Hon. Roger Teillet, the Minister of Veterans Affairs. As he has to go back to cabinet in perhaps half an hour or three quarters of an hour, I think we should proceed immediately to invite him to address the Committee and if there are any questions afterwards, I am sure the Minister will be very happy to reply to them. So now we will hear the Hon. Roger Teillet, Minister of Veterans Affairs.

Hon. R. TEILLET (*Minister of Veterans Affairs*): Mr. Chairman, gentlemen, may I remain seated?

The CHAIRMAN: Yes, please do.

Mr. TEILLET: Mr. Chairman and Members of the Standing Committee on Veterans Affairs, first of all, I wish to thank you for inviting me to be present and to speak to you this morning, I am sorry that due to my absence from the city I was unable to be here at the first meeting, when you began to consider the departmental estimates. I understand that, on that occasion, the Deputy Minister spoke to you briefly and introduced the departmental officials who have been in attendance to provide such information as you may require concerning the items under discussion. I try to follow your proceedings and appreciate keenly the interest you have shown in the votes you have been considering.

Some of you may be aware that a major change is taking place in the organization of the Department, part of the organization change that is occurring throughout the government service. Following the reports of the Glassco Commission, a firm of management consultants examined the Commission's recommendations on financial management with particular reference to the practicability of re-organizing the expenditure pattern to break it down by program of activity rather than by standard object of expenditure. This study, in which the consultants worked closely with senior departmental officials, was concluded early in 1964. The report in June of that year contained 104 specific recommendations, all of which were studied by the departmental officers. A number of these recommendations have been adopted and the necessary changes in organization and procedures are now being carefully worked out. These will result in the directors of the departmental programs, Treatment Services, Welfare Services, Veterans Land Act Administration and Departmental Administration, having responsibility for the preparation of their budget and its control. In keeping with this principle, the program directors will have complete line control over all their field operations. This change brings about a major re-organization, including the elimination of two levels of authority in

the field, the Regional and District Administrators. You will appreciate that such a re-organization constitutes a major project and is expected to take a year or so to complete. The planning stage has been completed and implementation is now proceeding on a pre-determined schedule. This change has been anticipated for some time so that arrangements have been possible to ensure that the actual number of staff changes at the senior level will be relatively small.

As far as our veterans' hospitals are concerned, I am happy to report that the agreement we entered into with the government of New Brunswick for the operation of Ridgewood health and occupational centre at Lancaster has worked out exceptionally well. Although final agreement has not yet been reached for the transfer of Ste. Foy and Sunnybrook hospitals to Laval and Toronto Universities respectively, negotiations with the provincial and university authorities concerned are progressing satisfactorily towards that end. Construction of the new Edmonton veterans home, a joint project with the province of Alberta, is now well under way and the new institution should be ready for occupancy in late August or September.

With the above exceptions, it now appears that we may retain responsibility for the operation of most of our other veterans institutions for some considerable time. True, there have been some enquiries about other institutions but these have been exploratory in nature only. For these remaining institutions, our planning is designed to ensure that the highest standards in personnel and facilities are consistently met.

To this end, plans are well under way for the replacement of patient accommodation at Ste. Anne's Hospital at Ste. Anne de Bellevue. Plans have been initiated for the modernization of bed replacement at Queen Mary Veterans' Hospital. Similar programs for the modernization of facilities will soon have to be implemented at Camp Hill, Lancaster, and Westminster hospitals. In Victoria, B.C. we hope that our treatment requirements can be met through a joint project with the Department of National Defence which will modernize both of our facilities with a net saving to the public purse.

In the field of pensions I know you will be particularly interested in two matters—the progress of the Pension Survey Committee and the basic rates of pensions. As you all know, the Survey Committee was formed late last year and commenced public hearings on January 18 of this year. Prior to these hearings the staff of the Committee accumulated a great deal of research material and the veterans organizations and others who were to appear before the Committee had an opportunity to prepare carefully their briefs on this important matter. So far the Committee has had five sessions totalling 29 days. They have heard representations from 17 organizations and 13 Members of Parliament, including several Members of this Committee. Twenty-three briefs have been submitted and, in addition, the Committee received about 300 letters from individuals. A verbatim report of the proceedings at these hearings is being prepared. The first three volumes totalling 677 pages are now ready. It is expected that three further volumes will be required. I understand that each Member of the Committee who appeared before it will receive a copy of the proceedings and that two additional copies will be available for general Committee use.

The Committee has just concluded its hearings except for a final meeting with the Chairman of the Canadian Pension Commission which is scheduled for the middle of June. The Committee has devoted many hours to analyzing the information placed before it. Although a great deal of study remains to be done, I understand that I will receive a report by about the middle of August.

The other matter, that of pension rates, is one I referred to particularly when I addressed the recent Biennial Convention of the Royal Canadian Legion in Montreal. I can tell you that I have directed that a detailed study of the entire question of pension rates be undertaken. The task is proving to be a complicated one, more so than we had anticipated, and considerable study remains before a fair, adequate and reasonable solution can be reached. Perhaps all I should say now is that there are two major problems yet to be solved. The first is to find a new and more equitable basis for establishing rates of pensions and the second is the development of a procedure by which the basic rates can be reviewed and adjusted at regular intervals. I am accordingly exploring a number of means by which adjustments in pension rates may soon be introduced. I have purposely not entered into the arguments concerning comparison of the rates with wages, cost of living and the other factors with which you are familiar. They are all being taken fully into account in the study that is now proceeding.

I am very pleased with the interest the Committee is showing in the broad subject of remembrance. I am delighted indeed that the Committee is planning to attend the international events being arranged in Northern France to mark the 50th anniversary of the Battles of the Somme; and to visit the war cemeteries and memorials of particular interest to Canada.

As far as I can ascertain, no Parliamentary Committee has ever done this before, although over the years many individual members have visited many of these sites.

Canada's war dead—about 112,000 buried in 70 countries including Canada—rest in dignified, beautiful cemeteries which are the continuing responsibility of the Commonwealth War Graves Commission. Our contribution to the work of the Commission is second only to that of Britain, and thus it is right and proper that this Committee should see for itself what we are getting for the money voted for this purpose.

● (11.20 a.m.)

In addition, we are directly responsible for the cost of maintenance of Canada's 13 World War I battlefield memorials. This cost is over and above our contribution to the War Graves Commission.

While our Veterans Charter is generous, it may be that useful information can be gathered from conversations and briefings with those responsible for administering national programs for veterans in other countries. I am glad to note that arrangements are being made for such sessions.

No doubt you already know that we are planning to have a National Veterans Week as a part of Canada's Centennial Program. It will start with Memorial Sunday on June 11 and will continue throughout the ensuing week.

While our plans are still in the formative stages, I can say that we hope that Memorial Sunday will be seized upon throughout Canada, in communities

large and small, as an occasion to honour our dead of all wars with appropriate ceremony. We hope that Memorial Sunday may become an annual event.

The remainder of the week will not be as solemn as Memorial Sunday and we hope that programs will be planned which will give Canadian veterans ample opportunity to renew the comradeships and camaraderie forged through service; for their immediate families to share, perhaps for the first time, the spirit of the war years; and for the younger generations to become better informed about the men who fought and died to preserve our freedom and our democratic institutions.

I had the pleasure ten days ago of addressing a conference held in Ottawa at which representatives of veterans organizations at the national and provincial levels were present. Enthusiastic support was evident and many ideas were presented that will lead, I am sure, to the success of our centennial "Veterans Week".

May I, in closing, commend again your continuing and most constructive interest in all matters affecting the welfare of our veterans.

Well, Mr. Chairman, I hope that I will be able to spend a few minutes to answer questions or take part in the discussion that will undoubtedly result.

The CHAIRMAN: Thank you very much, Mr. Minister, for your very interesting presentation about the problems tackled by your department.

From what I gather, the members of this Committee have a high opinion of you and of the work you do and as your function as a Minister. This does not include, though, differences of opinion on some of the problems, but the aim is all the same. It is for the good of the veteran.

I will now call on the members of the Committee who have some questions to put to you. The first is Mr. Chatterton, followed by Mr. Rock and Mr. Groos.

Mr. CHATTERTON: Are we going to have a copy of the Minister's statement?

Mr. TEILLET: Yes, I can leave a copy here.

The CHAIRMAN: We can have it printed and distributed.

Mr. CHATTERTON: Did I understand you to say that, in addition to the report of the Hon. Mr. Justice Woods, there will be another inquiry regarding rates and pension adjustments?

The CHAIRMAN: One moment, Mr. Chatterton. Could the members try and speak into the microphones so that the transcript of the evidence can be taken?

Mr. CHATTERTON: Do you want me to repeat that, Mr. Chairman?

The CHAIRMAN: Yes, please.

Mr. CHATTERTON: Did I understand you to say that, in addition to the inquiry by the Hon. Mr. Justice Woods, that there will be another inquiry into pension rates and adjustments?

Mr. TEILLET: No. I am sorry if what I said was not clear. For some time now, the members of the Canadian Pension Commission and myself, and occasionally representatives of veterans' organizations have held discussions with respect to pension rates and pension adjustments. As a result of some of these talks I undertook, some time ago, to prepare a paper that could be presented to the veterans' organizations as a basis for further talks.

What I intended to say was that, in the preparation of this paper and as a result of finding that this is a little more complicated than we anticipated, we are now at work—and these are the departmental officials, together with the Canadian Pension Commission—preparing material in order to give us a visual picture of the situation as it has developed, to help us in reaching a conclusion on how we should handle this matter in future. This is being done by the department and the Canadian Pension Commission.

Mr. CHATTERTON: Will the preparation of this paper be delayed until the final report of the Hon. Mr. Justice Woods?

Mr. TEILLET: Not necessarily, but I would have some doubts that it would be ready before that.

Mr. CHATTERTON: One more question, Mr. Minister. In reply to a question put by Mr. McIntosh in the House, I believe last week, the impression I got from your reply was whether or not you bring up the Pension Act for amendment depends on the recommendations of the Hon. Mr. Justice Woods.

Mr. TEILLET: Quite so, but as you will recall, there was some confusion in the session two years ago, when I was faced with a question in Parliament one day about pension rates and I was not in a position, at that time, to make a statement about what we were going to do, because the decision was not final, but almost final. And I said that there would be an amendment brought in shortly, which I intended to convey would deal with pension rates. But apparently I did not get that point across. But this had to do only with the rates of pension. As I think you know, at that time we amended it by an item in the estimates rather than an amendment by a Bill. I think that can be done again. I do not think we need relate the two; one could be done before or after, depending on the time, and it may well be, as I indicated in Montreal, that before this work is finished, if we find it is going to take many months to complete, that some interim action may well have to be taken.

Mr. CHATTERTON: I take it, from what you have just said, that the Pension Act will be brought up for amendment, in any event.

Mr. TEILLET: Again, I am speaking specifically of pension rates only, at the moment, I do not want to say anything about the other side of it until I have received the report of the Woods Committee.

Mr. CHATTERTON: Can the Minister assure us that if the Pension Act is brought up for amendment that it will be sent to this Committee?

Mr. TEILLET: Oh, yes, I can give that assurance, there is no question about that. Again, just to be clear, that if it should relate only to an adjustment in rates, that may not be necessary. But any other amendment to the Pension Act would certainly come before the Standing Committee. Am I clear this time? I was obviously misunderstood two years ago and I want to make sure that I am clear on that.

Mr. CHATTERTON: If it involves rates only, it would be done in the same way as it was in 1964?

Mr. TEILLET: Yes, I would expect that would be a reasonable thing to do. But regarding anything beyond that, of course, my own intention would be to have it referred by the House to the Committee. That would be my recommendation.

Mr. ROCK: Mr. Minister, you mentioned veterans week during the Centennial Year and the planning of such a week with a memorial Sunday. Can you tell us what date this would take place? What is the tentative date?

Mr. TEILLET: June 11.

Mr. ROCK: It would be June 11?

Mr. TEILLET: That is correct.

Mr. ROCK: That is all I wanted to know.

Mr. TEILLET: The week will begin by a Memorial Sunday and then the rest of the week, of course, there would be other events being held across the country.

Mr. ROCK: Will this be called Veterans' Week?

Mr. TEILLET: Centennial Veterans' Week.

Mr. GROOS: Mr. Minister, you mentioned in your brief.

Mr. TEILLET: I am sorry; if I may interrupt for a moment. It is National Veterans Week in Centennial year.

Mr. GROOS: You were talking, Mr. Minister, on the veterans' hospital facilities in Victoria and I understood you to say that, in the future, these would be jointly administered by the Department of Veterans Affairs and the Department of National Defence. They would be sharing facilities. I think you said this would result in an improvement in the facilities and in the service.

Could you expand a bit on this, as I understand this is the first time this will have been done. I may be incorrect in this.

Mr. TEILLET: I have Dr. Ritchie here, of course, who can straighten me out if I go astray.

For some time now there have been talks between the Department of National Defence and ourselves. As you know, their facilities in British Columbia are not in the best of condition and they have to make some changes. The hope would be to concentrate their services and ours at Victoria, at our Victoria Hospital.

Now, regarding who will actually administer the hospital Dr. Ritchie tells me that we will. This will be the reverse of the situation in the National Defence Medical Centre here, where we use the facilities but it is actually administered by the Department of National Defence. Is that right?

Dr. K. S. RITCHIE (*Department of Veterans Affairs*): There is, of course, a plan to maintain an administrative core within our hospital.

Mr. TEILLET: I see. Does that clearly answer your question?

Mr. GROOS: Will you give me some idea, Mr. Minister, of the form of the changes in the facilities, which are taking place?

Mr. TEILLET: Perhaps Dr. Ritchie is more familiar with that, if I may ask him to reply.

Mr. RITCHIE: The plan is to build on an original 60 beds at the Victoria Veterans Hospital and in conjunction with this, there will be an enlarged Out Patient Clinic to provide for the facilities of both the department and National Defence.

Our own hospital, at the present time, has very over-crowded X-Ray Department and laboratory facilities and it is deficient in Operating Room and Recovery Room facilities. So that the whole plan will be to modernize our own hospital and to build the necessary beds required by the Department of National Defence.

Mr. GROOS: How will this affect the domiciliary care of patients that are at present there in some numbers?

Mr. RITCHIE: It should not affect it in any way whatsoever.

Mr. CHATTERTON: May I ask a supplementary question. Has the Department of National Defence generally agreed to this good proposal?

Mr. RITCHIE: I believe the project has approval of the Defence Council. This is the extent to which the agreement has been explored at the present time.

Mr. GROOS: Can I take it, Mr. Minister, that this plan has gone beyond the proposal stage and we can take it that this is going to be done?

Mr. TEILLET: In the sense that both the Department of National Defence and ourselves are agreed in principle on this, I think we can take it. The final agreement has not yet been reached, but that is a matter of method rather than objective. We have agreed on the objective, so I think you can take it for granted that, barring some unforeseen circumstances, it will be proceeded with.

Mr. GROOS: One last question, Mr. Minister. Could you tell me whether or not the facilities for women paying patients in the hospital will be improved? I gather this is, at the moment, an area in which there is some deficiency.

Mr. RITCHIE: Yes, there is a plan to build a female ward and we plan to build small ward accommodation which can be used for either male or female patients, as it is in a general hospital.

Mr. GROOS: Will you say that again, I did not quite catch you.

Mr. RITCHIE: They are planning a female ward but this is designed in small ward accommodation so that it could be used for either male or female patients in the future.

Now, you mentioned paying female patients. I am not quite sure what you mean by this because these will be primarily for entitled veterans rather than paying patients.

Mr. GROOS: I did not mean to say 'paying'. I think you did not hear. I am sorry.

Mr. MACRAE: My first question, Mr. Chairman, deals with this matter of National Veterans Week and perhaps is in the nature of a supplementary to that asked by Mr. Rock.

Was any consideration given to the previous week, that week beginning on June 4th, as National Veterans Week? I imagine there are many factors taken into account when you have to decide on a particular time for a matter like this. But, as the Minister will know only too well, as I believe he attended the 20th anniversary of D-Day and that would be June 6th. As we know, D-Day was the greatest combined sea, air and land operation in the history of mankind, and that is on the 6th June. There are many of us who took part in that operation who do observe that day. Was this considered at all?

Mr. TEILLET: First of all, perhaps I should tell you that there is a committee established—an inter-departmental committee—with National Defence and Veteran Affairs and veterans' organizations and they have had several meetings at which I am sure this was considered. However, in order to give you a clear answer, I wonder if the Deputy Minister could reply?

Mr. PAUL PELLETIER (*Deputy Minister of Veterans Affairs*): Yes, Mr. MacRae, that was very much considered. We considered all kinds of dates and, as the Minister has said, on this committee the large veterans' organizations are very well represented, so it is not a governmental committee exclusively, in that sense.

I think the unanimous consensus of opinion was that if a Memorial Sunday of this character was to be instituted, it would perhaps be undesirable or at least unwise, to pinpoint it to any specific event. This would be an all wars Memorial Sunday as opposed, for example, to November 11th, which is strictly and specifically a World War I memorial. That was the reason.

The second consideration, of course, was to try and pick a time of year which would be encouraging from a climatic point of view. And, finally, a time of year which would be convenient to the various veterans' organizations. For example, we considered the fall, but this would not be convenient to the veterans' organizations because there is a dead period during the summer. Eventually, the second Sunday in June was chosen.

Mr. COWAN: Mr. Chairman, through you to the Deputy Minister, if you do not want to pinpoint a certain date, such as June 6th, which was suggested by my colleague, you will not object to our celebrating the Battle of Waterloo on June 15th then, as it falls right in the middle of that week.

Mr. CHATTERTON: There are very few of those veterans left, I will tell you that.

● (11.35 a.m.)

Mr. MACRAE: Those are the veterans of the past.

Mr. WEBB: The Minister raised the matter of hospitals and specifically Lancaster Hospital. I just have two brief questions here in this area.

First of all, have there been any discussions with the government of the province of New Brunswick regarding the transfer of Lancaster Military Hospital to any organization in the province of New Brunswick?

Mr. TEILLET: I wonder if the Deputy Minister could answer that?

Mr. PELLETIER: There have been a number of informal discussions regarding the best method of meeting our problem and perhaps problems of other people at Lancaster, and discussions are going on at this time with regard to possible ways and means of helping everybody out in the process of our renovating Lancaster if, indeed, we renovate it. At least renovating the bed facilities for our veterans.

Many of these discussions are still at an informal stage and I think it might be inappropriate to violate any confidences by divulging the details of the nature of the discussions that are taking place.

Mr. TEILLET: This is only at the official level, as far as it has gone.

Mr. WEBB: And the final question, then, Mr. Chairman, to the Minister himself. Is it within the thinking of the government at this point—perhaps you cannot go too far in answering this—that eventually all veterans hospitals will be taken out of the jurisdiction of the Department of Veterans Affairs and transferred to civilian jurisdiction, as is now almost the case with Sunnybrook and Ste. Foy.

Mr. TEILLET: Well, I think if you were to refer back to the statement I made in the House two years ago, the objective here is to ensure that the care of our veterans, wherever they may be, is the best available care possible in any given area, city or region. With that objective in mind, there are areas where transferring a hospital to another authority would not improve our position in any way. There would then be no point in doing it.

The main objective is the standard of care of our veterans and we will make decisions in the light of the application of this principle. So that I do not think I can give you any more of a clear cut answer because this will be the principle on which we will make our decisions as we go along.

Mr. WEBB: Thank you, that will be all right, Mr. Minister.

Mr. HERRIDGE: Mr. Chairman, I judge from correspondence and from my attendance at the last Canadian Legion Annual Convention and my very close attention to the Minister's speech at that Convention, that one of the basic things in the minds of a large number of veterans and their dependents in Canada is the question of pension rates and automatic increases.

My question is this; in view of the fact that the Committee is going to Europe soon and intends to meet our opposite numbers in France, I understand, and in Great Britain, would the Committee have the opportunity to present any views it had, as the result of these consultations, before Mr. Justice Woods' Committee, before he makes his final report?

Mr. TEILLET: Well, firstly, I think my answer to that is that I cannot direct the Committee. The Committee will do as it pleases in these matters. It is not my prerogatives to give any directives to this Committee. Rather, perhaps, it is the other way round.

Mr. HERRIDGE: Recommendations, Mr. Minister.

Mr. TEILLET: The Woods Committee does not have within its terms of reference the rates of pensions, while there may be representations to the Committee with respect to pension rates, and the Chairman, and I think wisely, while understanding that this is not within his terms of reference, has, I believe, agreed to receive representations with respect to pension rates which he will, in turn, turn over to me in his report. Whether or not he comments on it is for him to decide.

So that I do not think there is a relationship here between what you may find about pension rates, and the Woods Committee. But, as you know, this Committee can always make recommendations to me. I do not know that the Committee, as such, can make recommendations to the other Committee.

The CHAIRMAN: Mr. Herridge, maybe I could intervene. We will eventually get, before this Committee, a study of the Woods Committee and this might be

an opportunity for our Standing Committee, in making a report to the House, to make a recommendation to the Minister on pension rates, from our findings in Europe.

Mr. HERRIDGE: Mr. Chairman, then could I put it this way? As a result of our search for a valid formula, as the Minister mentioned in his speech, would it be possible for any member of this Committee to appear before Mr. Woods' Committee and bring to his attention the interesting information we have discovered?

Mr. TEILLET: Again, that I cannot answer because, of course, this is a matter for the Chairman and the Committee itself. Those are the decisions that are theirs and I have refrained from making recommendations to them with respect to this because I believe that Committee should act as independently as possible.

The other factor is, I would just use this word of caution, and I hope you will take it in the spirit in which I give it. I would hope that the report of that Committee would not be unduly delayed because such a request came in. This is just a hope I express.

Mr. HERRIDGE: When did you say, Mr. Minister, you expected Mr. Justice Woods to report?

Mr. TEILLET: I understand that the last hearings he hopes to have will be in the middle of June and that he should have his report ready in August. You will not be back here until after the middle of July.

Mr. HERRIDGE: I have two other questions, one is would it be possible for the department to supply the Committee with a memorandum of some sort, giving the location of all the overseas cemeteries and the numbers buried there and any other information so that, when we arrive, we have that information with us and we know exactly the figures with respect to maintenance and things of that sort?

Mr. TEILLET: Mr. Way, can you give an indication of the plans as they exist now?

Mr. G. S. WAY (*Chief of Information and Public Relations, Department of Veterans Affairs*): Mr. Chairman, I have a list, which could be produced very readily, of the cemeteries in Northwest Europe containing 50 or more Canadian burials and also the memorials on which the unknown are commemorated. Such a list could be produced very easily for Italy also. If that would meet the Committee's requirements, I could do that very quickly.

Mr. HERRIDGE: That would be very helpful to the Committee, Mr. Chairman.

I have one more question; I know the Minister has to leave very soon. The Minister made some reference to re-organization with respect to District Administrators and Regional Administrators. Could he elaborate on that a bit on what he has in mind?

Mr. TEILLET: Perhaps, to make sure you get a better answer than I could give you, I will ask the Deputy Minister to answer that, dealing with the Regional Administrators and the District Administrators and how we will effect the re-organization.

Mr. PELLETIER: Mr. Chairman, in reply to Mr. Herridge's question—and I will try to make this as simple as possible—this kind of re-organization has been foreseen for some time. It is something towards which we were tending, in any event, and this way of thinking of ours was supported firstly by the Glassco Commission and secondly and conclusively by the Woods people who did the study in our department.

What is involved is a change from centralized district administrative set-up to a set-up where direction comes from headquarters by programs. In other words, we are going to replace the Regional and District Administration. Let us bulk them together, for the time being, because one is just a part of the whole, the District Administration being part of a region.

Instead of having the administration of these various programs centralized in one man in each district, the Director of each program at headquarters will direct his people in the field directly, so that it shall be by program rather than by a centralized district administration.

Mr. HERRIDGE: Thank you.

Mr. CARTER: Mr. Minister, I am not sure if I heard you correctly, but I thought you said there was, at the present time, some committee looking into the matter of pension rates and basis on which pension rates should be established. Did you say that there is a committee?

Mr. TEILLET: No. And again I want to be very careful to be quite clear because you will recall that, because I was not clear enough one day, I misled the Leader of the Opposition, in answer to a question in the House, and I had to correct it the next day.

This is not a committee. We are working with the Canadian Pension Commission—this is within the department, and with departmental officials who normally assist the Commission on its administrative side—to work out some plan, dig out facts, figures and charts, so that we can get a picture of the development of pension rates and how we can best deal with them in the future.

I think where the misunderstanding arises is from the fact that I did say we had some consultations with representatives of veterans' organizations and, of course, we will be continuing those consultations. But I do not want to imply here—and this I want to make very clear—that the veterans' organizations are taking any responsibility in this. This is the responsibility the government has to accept and I would not want to indicate here that the veterans' organizations should, in any way, be responsible for those decisions. We are keeping in consultation with them, with a view to getting information and getting reactions to certain areas of discussions. So that I hope that is quite clear, that we are taking full responsibility for this and I do not want to leave any impression at all that the veterans' organizations have any responsibility in this respect because I think you would agree that it would be quite unfair to imply any such thing.

Mr. CARTER: This is purely a departmental study?

Mr. TEILLET: That is right.

Mr. CARTER: The original basis of pensions, I think, was that of casual labour or the wages of casual employees paid by the Federal government or, for instance, the wages earned by janitors. In the early days, we used that as a basis.

Mr. TEILLET: The original basis, and I hope the Chairman and Vice Chairman will correct me here if I err in this, was that the pension would be based on the rates applicable to an unskilled labourer.

Mr. J. E. WALSH (*Department of Veterans Affairs*): That is right; an unskilled labourer in the civilian field, not departmental.

Mr. TEILLET: It is a little difficult to trace that through and develop accurate and actual figures. Today, regarding an unskilled labourer, there is such a variation and such a lack of practical statistics, Mr. Walsh, it is difficult to develop the kind of statistics that you would get, for instance, and this is why we tend to do this.

The case would be quite different if you were dealing with, say, the average industrial or the average national wage, on which we have pretty solidly based statistics, which are quite reliable and are likely to continue as reliable. This is the kind of thinking that is going on that is, if we could use that kind of thing as a yardstick, rather than something else which is rather vague in its statistical presentation.

Mr. CARTER: Apart from its vagueness and other unsatisfactory characteristics, I have always felt that establishing it on that plane was not quite in keeping with the spirit of the Veterans Charter, as shown in other veterans legislation.

I have been wondering whether any study has been given to the median salary for civil servants, not the average salary but the median salary, as a basis for pensions?

Mr. TEILLET: It is a little difficult for me to go into details at the moment because we have had the Canadian Pension Commission and Mr. Walsh developing and researching this area and they will be looking at a number of factors of this kind in order to try to determine which could be the most constant and which could be the most reliable over a period of years. Because a yardstick today that is not going to be any good a few years from now, will not serve the purpose.

● (11.50 a.m.)

Mr. CARTER: I wonder, Mr. Chairman, if we could get from the Civil Service Commission their median salaries for the last four or five years and compare them with the average salaries so that we can compare them with our present scale of pensions.

The CHAIRMAN: You mean for the Committee?

Mr. CARTER: Yes. Perhaps your clerk might ask them if they can provide this. Perhaps we could put the question on the Order Paper, but I do not think we need to go to that trouble. We could perhaps get information ourselves from the Civil Service Commission.

To me, something like that would be more appropriate, I think, than a yardstick of unskilled labour or any other basis because I know every time the Legion presents a brief they compare it with what is paid to janitors and caretakers and such.

Mr. HERRIDGE: Well, that is unskilled labour.

Mr. CARTER: Yes but my point is that I do not think that is in keeping with the spirit of the Veterans Charter, anyway, even if the figures were satisfactory.

Mr. TEILLET: I must confess, at this stage, and until I have a great deal more information than I now have, it is very difficult for me to make any more comments on this.

Mr. CARTER: My final question, Mr. Chairman, is about the war veterans allowance. Is there any prospect of eliminating this 365 day business before the rest of them are pushing up daisies?

Mr. TEILLET: Well, this is a thing which, as you know, is being examined once a year. So far, the decision has been "No". I cannot tell you what the result will be the next time we look at it but, so far, the decision has always been in the negative. I think there are some pretty weighty factors in favour of this. So that again, all I can say about that is that it will have to be considered again because we will receive other representations and whenever these representations are made, consideration is given to each and every one of them. But, so far, the decision has been not to adjust it and that is the situation.

Mr. WEBB: A supplementary question. I wonder if I could ask the Minister how many veterans would be affected by the 365 day clause?

Mr. TEILLET: Does anyone have an answer to that? At the moment, I have not.

Mr. W. T. CROMB (*Department of Veterans Affairs*): I wonder if the Chairman of the Board would have the answer to that.

The CHAIRMAN: Mr. Webb and gentlemen, I am wondering if questions of details like this could not wait, because we are going to have the official with us for the rest of the week and the Minister will have to go in about five minutes. Do you agree that it might be better to bring that question up a little later?

Mr. WEBB: Yes.

(Translation)

Mr. ÉMARD: I wonder, I don't know which recommendations were being made concerning pension rates, and I was informed that it was not within the scope of that Board to study the pension rates. I would like to know if we would have an opportunity to study that in this committee and when we will be able to study pension rates.

The CHAIRMAN: Mr. Émard, in that regard, the Minister can certainly not reply. As I mentioned a few minutes ago, when the report of the Wood Commission will be before us, we will be able, I imagine, to examine the whole question of pensions and pension rates and rates of increase possibly and to take this into account in the recommendations we will make to the House of Commons.

Mr. ÉMARD: Mr. Chairman, I was told, when I appeared before the Wood Commission that it was not within the terms of reference of the Wood Commission to study the pension rates. Why is it not before that Commission or this Committee?

The CHAIRMAN: We would have an opportunity to have hearings, you see. At the present time, we have already covered the estimates for pensions and we will continue with the estimates; we want to make a report to the House as soon as possible, so the estimates can be adopted by the House. So, the fact that we will have an opportunity to sit in the fall, to deal with these estimates means that, we will be able to take advantage of that opportunity to discuss the whole question of pensions and pension rates.

Mr. ÉMARD: Mr. Chairman, I have another point to make; I must go to the other Committee on the other side, may I absent myself?

The CHAIRMAN: Supplementary. Mr. Herridge.

Mr. HERRIDGE: I just want to clear this up. It means that when we discuss the Woods report after we return in the fall, we will have an opportunity, then, to bring forward all our experience overseas and anything we have learned as a result.

The CHAIRMAN: This is my opinion.

Mr. HERRIDGE: Yes.

Mr. GROOS: Mr. Chairman, I am also going to have to excuse myself in a moment, because I have a meeting in another room, but I wanted to come back to one final question.

The Minister was talking about the facilities at Victoria which are now going to come under some new arrangement. You will recall that we had some previous experience, when other matters were under discussion, and when there was a fair amount of misunderstanding and speculation among veterans groups in that area. I wonder if it is not a good principle to follow, now that we have reached a point when we have something a little more definite to talk about, that there should not be some consultation with the local veterans' organizations in the area.

I think this would remove any possible misunderstanding; it would remove the need for any speculation and I think, all in all, it would be a very good principle to follow. I wonder whether the Minister would agree with that suggestion?

Mr. TEILLET: We are doing this. I have not included the Victoria situation in this general consultation because, in effect, there is no change in authority. However, there may be a delegation of authority to National Defence in certain respects but there is no change in authority. So we have not felt that this would require consultation in the ordinary sense. Otherwise, talks and discussions are going on and, when we reach a stage where there is something practical and concrete, then we do discuss these matters, we do consult these veterans' organizations in order to inform them—at least the top level people—that these talks are going on. At that stage there is very little of concrete value that can be said; it is just a matter of information.

At a later stage—and here I take the experience of Sunnybrook, for instance—where we have reached the stage where agreement, in principle, is ready to be reached, after the major areas of discussion have been covered, then, as we did in Toronto, we request a meeting with the local veterans, as well as representatives of the provincial command, and lay the whole matter before them, with a view to their information and receiving their suggestions and ideas. And this, of course, we will continue to do.

Mr. GROOS: Well, Mr. Chairman, there are obviously going to be some physical changes in the building and there are going to be some new internal arrangements. I think that what the Minister has said, that this really involves no change in responsibility, is, in itself, a statement that would be welcomed by the veterans in that area. I would strongly urge the Minister to bring this point out and to ask his representatives on the spot if they could not issue this in the area perhaps in the form of a press conference or something similar, at which they will be able to answer these questions, on the spot, much better than I can.

● (12.00 a.m.)

Mr. TEILLET: Mr. Chairman, the statement I gave this morning and this particular section dealing with the hospitals, has been very carefully prepared by officials with a view to giving as clearcut a picture as possible to all concerned. This was the purpose of it so that we could remove any speculation of this kind. I would hope that this statement, will undoubtedly appear—I do not know whether this is included in your reports but it will appear somewhere—so that veterans' organizations and, I am sure, representatives of the veterans, including the *Legionary* and other publications, will likely make use of this.

I do not know that I would get any further with a press conference than this statement I have made this morning. But this is something on which I am certainly open to suggestions.

The CHAIRMAN: I have two more names on my list—Mr. Chatterton and Mr. Rock—and I think this might conclude our questioning to the Minister.

Mr. CHATTERTON: The question I want to ask is concerning the Veterans' Land Act. Now, I realise we have not yet discussed the estimates with regard to the Veterans' Land Act but there has been a tremendous increase in the work load under this Act. Last year, for instance, there was an 80 per cent increase in the number of veterans qualified and almost a 30 per cent increase in the number of loans. The Director has indicated that he estimates a further 30 per cent increase next year.

Now, a great deal of this increased volume of work is caused by the deadline of 31st October, 1968 for qualification. Now, from my personal knowledge, I know that in certain areas our field staff, in spite of their being an efficient and conscientious staff, are getting behind in their work because there is too much. On the other hand, the Director rightly says he does not want to take on new staff now, only to have to release them maybe four or five years from now.

My question is this; if it transpires that because of this increased work load that the work is not being done properly, will the Minister consider extending the deadline for qualification?

Mr. TEILLET: I think, before I would answer that question, I would have to have a look at it. The Director keeps me pretty well posted on what is going on and what are his problems and, before I would consider any change of that kind, I would have to have a pretty solid case in front of me.

I do not think I can answer that, either in the affirmative or in the negative until I see what actually develops.

Mr. CHATTERTON: But if it transpires that the men are getting behind in their work, because of this tremendous deadline—

Mr. TEILLET: If I may put it this way, the reason I hesitate to give you an answer here is that if I suggested to you, for instance, to be reasonable, I should answer 'yes' to that question, should I not? That would be the reasonable answer. But, if I do this, then I am going to develop a feeling among veterans across the country that it does not really matter if they qualify before the end of that year and wait for an extension.

This is almost like agreeing, now, that the extension will take place. This is why, at this stage, I do not want to give you a 'yes' or 'no' answer. I hope you understand that.

Mr. CHATTERTON: But at least you did not say 'no', Mr. Minister.

Mr. HERRIDGE: Mr. Chairman, I think there is a very logical answer; the question can be met when we are approaching the deadline.

Mr. ROCK: I would like to come back to the National Veterans' Week. Is it the wish of the various veterans associations to change the date in the future from November 11th to June 11th for the memorial armistice services?

Mr. TEILLET: Well, Mr. Rock, I do not think I should take on the responsibility of answering for the veterans' organizations. They are quite capable of making their own decisions and I think it would be quite unwise for me to indicate in any way that I am responsible for their decisions, any more than it should be indicated that they are responsible for mine.

I think this is a standing understanding between the Minister and the veterans' organizations which has worked well throughout the years and I am certainly not going to be put in the position of breaking this arrangement. And I think that is as it should be and I think they are the ones to answer that question.

Mr. ROCK: Yes, I am just wondering about this because I know that we are lucky if we have one out of five days that are climatically suitable for a memorial service during the month of November. That is why I was asking that question.

Mr. HERRIDGE: I presume the Minister would not undertake, at this time, to change the habits of the older generations.

Mr. TEILLET: I do not think I am going to answer that one, either.

The CHAIRMAN: Thank you very much, Mr. Minister. Thank you for your being here this morning and spending some of your time with this Committee, and for your fine answers.

Mr. TEILLET: Thank you very much.

The CHAIRMAN: Gentlemen, we shall continue sitting, if you agree, maybe until 1 o'clock. If you recall, we had already started on Vote No. 40 with a presentation made by Mr. Pawley. So I will call on Mr. Pawley to come to the front.

Mr. CARTER: Mr. Chairman, before we go into the Veterans' Land Act, I was wondering if the Committee might ask Colonel Cromb if he could supply us with information on this question we are both interested in, the 365 day clause. What I would like to know is how many veterans are affected, their average age and the total cost.

I do not think we need have that information now, but if it could be provided for us, it would be appreciated.

The CHAIRMAN: If Mr. Cromb has this information ready, I think it would be agreeable if he could say something on this.

Mr. W. T. CROMB (*War Veterans Allowance Board*): Mr. Chairman, the estimates which we have regarding the number of veterans who would likely qualify for war veterans allowance were the 365 day clause to be removed is 6,500. Now, their average age, of course, would be quite high. The average age of World War I recipients at the present time is about 72 years of age. There are more veterans but we estimated that, out of the potential number, 6,500 would likely be the number we would get in applications.

Mr. CARTER: And the total last estimated cost, I heard was \$8 million.

Mr. CROMB: The last estimated cost, Mr. Chairman was about \$7 million.

Mr. MACRAE: Mr. Chairman, I take it that you see a quorum at the moment. I only want to point out that you are going to see one member less in about five minutes because I have to leave, too. But if you see a quorum at the moment, you will see there is one less as well.

Mr. CARTER: I might say, Mr. Chairman, I have a caucus meeting at 12.30.

The CHAIRMAN: Well, could you hold on until 12.30 then and we might adjourn at 12.30.

We will now proceed with questioning to Mr. Pawley in regard to Vote 40, which is on Veterans' Land Act.

Department of Veterans Affairs

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

40. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein, \$4,320,900.

Mr. HERRIDGE: Mr. Chairman, I first of all want to say how much I am sure this Committee, throughout the years, has appreciated the work of the Veterans' Land Act administration and I have no hesitation in saying that they laid the foundations for the Farm Credit Corporation legislation, as a result of loans with supervision. As far as I am concerned, from my experience in the interior of British Columbia, I think they have done an excellent job, in general.

I have one question to bring to the attention of the Director and I approach this question on the basis of the speech made by the late Rt. Hon. Ian Mackenzie, when the Department of Veterans Affairs was first established, and when he said at that time that veterans and their dependents were the responsibility of the federal government, according to law and according to the Veterans' Charter, as finally drafted. But also, they were willing to do all they could to assist veterans and their dependents, beyond the line of the law and beyond the line of duty, if I remember correctly, in rendering assistance and advice under any circumstances that came more or less within the purview of any branch of the Department of Veterans Affairs throughout the years.

It is on that account that I wish to bring to the Director's attention the circumstances of certain veterans that I have the honour to represent.

I also want to say, before proceeding, that I recognize that the Department of Veterans Affairs has rendered some assistance and advice, beyond the Federal law. In one instance, I remember an old veteran in my riding whose name is Bob McVey. He is not a Veterans' Land Act chap. They have done very well with the Veterans' Land Act purchasers because the B.C. Hydro and Power Authority cannot expropriate the land without the consent of the federal government, and there have been several excellent settlements on that account.

There has been some advice and assistance rendered to veterans who are not purchasers under the Veterans' Land Act. I am thinking of one man, in the first instance, Mr. Bob McVey of Renata, an old chap of nearly eighty, to whom the B.C. Hydro and Power Authority offered \$14,500 for his property. As a result of one of your officials, Mr. Director, going in there, looking over the property and making a report—which I had the opportunity to read B.C. Hydro and Power Authority came back shamefacedly about a month later and offered him \$4,000 more, which he accepted. It was not quite what he expected, but he thought it was reasonably fair.

And, in other instances, your officials in British Columbia have advised veterans, in circumstances where the B.C. Hydro and Power Authority wanted to take all the property, that they should seek to retain any property above the flood lines on the Arrow Lakes and on the Columbia River, and the B.C. Hydro and Power Authority have agreed to that. I had a letter from a veteran only this morning, who has a property at Broadwater on the Arrow Lakes and who informed me that he has just received word from the B.C. Hydro and Power Authority that he was being allowed to retain a certain area above high water. He gave credit to the Veterans' Land Act officials for giving him advice for using their persuasion in this respect.

Now, we still have a lot of unsettled cases and, I am going to quote briefly from an article written by Mr. Tom Hazlitt which appeared in the *Vancouver Province* of May 16th and which is headed:

"Two-fisted folks are hard to uproot".

But today the battle lines are drawn. The people are on the move, and the blue staff cars and trucks of B.C. Hydro move through the old town-sites like warrior ants in seach of prey.

And then another quotation from Mr. Tom Hazlitt of May 17th in an article headed "There will be bloodshed—Hydro 'gangsters'. He has interviewed a number of veterans, mind you.

"It's this scorched earth policy that frightens people.

"It's getting worse every day—homes burning, and old widow ladies standing out in the snow watching their belongings go up. Somebody's going to get hurt one day, and then there will be bloodshed in this valley on top of everything else."

The speaker was a bespectacled farmer-logger, apparently in his right mind and apparently well informed.

"I tell you," he went on, "I tell you those Hydro land agents aren't any of the sort. Gangsters, they are, specially imported gangsters and blackmailers to boot.

And then the article goes on to give their complaints, which are largely these:

There is a deliberate lack of any announced yardstick in figuring property values.

Property owners can cite what appear to be scores of inconsistencies in settlements already reached.

Property owners claim Hydro uses time as a bargaining agent, on the theory that the big Crown corporation can afford to wait it out much easier than a small farmer or logger who has to find a new place in which to earn a living.

The so-called scorched earth policy is a fact in some places where Hydro officials consider it dangerous or unwise to leave an empty house on its newly-acquired property.

And then they go on again:

Hydro officials refuse to disclose the basis on which they make offers.

And then there are numerous other complaints. Now, this reporter was there and visited a large number of people and talked to residents, generally, and to veterans, which indicates that there is a great deal of dissatisfaction.

I have just had word recently from an old veteran, he is nearly 80 years of age and he simply got a letter from B.C. Hydro—he cleared this land some 60 years ago—to say that his property is being expropriated on a certain date and so on. I know the Director and his officials are only directly responsible for the administration of properties that come under the Veterans' Land Act administration, but I do, again, Mr. Chairman, urge the Director to send one of his officials into that valley to discuss, with the veterans concerned, their problems

at this time. And, while they have no official status and cannot interfere with the B.C. Hydro's proposals or things of that sort, I think they are in a position to give good sound advice, having had some experience in the assessing and valuing of properties and particularly with the district about which I am speaking.

So I would like the Director to say what he thinks he can do. I must say that, on the last occasion, I appealed to the Minister and he said he would take it up immediately. He took prompt action and I appreciate it very much and so do the veterans. But I would like the Director to say what he thinks he can properly do.

I realize the difficulties surrounding this, to advise those veterans and dependents on the Arrow Lakes and on the Columbus River and in the Duncan Lakes area on their rights and on the reasonable assessment of the values that they should receive for the properties that are going to be flooded in the days ahead.

Mr. R. W. PAWLEY (*Director, Veterans' Land Act*): Mr. Chairman, Mr. Herridge certainly gave me fair warning of the remarks he was going to make this morning and I appreciate the comments he made in connection with what I think to be our situation.

However, before commenting on that, I would briefly like to inform the Committee that, out of the 24 properties affected, these were veterans established under the Act, there are 7 remaining that have not yet settled for compensation.

Mr. HERRIDGE: Largely owing to the protection of the Veterans' Land Act.

Mr. PAWLEY: Actually, this has gone fairly smoothly because none of these cases has gone to expropriation, which is reasonably easy to do, sir, under the Act.

I might mention, without conveying any kind or amount of settlement, that, as far as we are concerned, the settlements that the B.C. Hydro have made are in excess of 20 or 25 per cent of what we thing the values of the properties were before they were taken.

Our values do not include any inconvenience for moving—things of this nature which are beyond the property.

● (12.15 p.m.)

Mr. HERRIDGE: Or replacement value.

Mr. PAWLEY: That is right, sir. This is just our estimated value based on the market, from the knowledge we think we have.

I toured this area, myself, a year ago and I was satisfied with the liaison that had been built up and carried on by the staff. But when you ask us to do something for and on behalf of veterans not established under the Act, then it almost becomes a problem of how do you influence people and still remain friends?

Mr. HERRIDGE: You have done it already, in some cases.

Mr. PAWLEY: I think we have been able to do it because it has been kept unofficial. It seems to me that if we officially went in there and gave advice to

people, many would tell us that it was not any of our business. We would be going into a situation where we really had no business to be.

Mr. HERRIDGE: The veterans would not tell you that.

Mr. PAWLEY: Well this, I think, would happen, sir. Now, in addition to that, I think that we have gained a reasonable reputation in the appraisal field and you, sir, have thanked us for one or two cases. Let me indicate to you how this can be used to our disadvantage.

With this kind of reputation and the success we seem to have had with settlements with the B.C. Hydro, our name could be used imprudently by individuals when they are trying to extract compensation in keeping with what they feel is the value of their property. This compensation they are asking may have no relationship with what our people may feel.

Mr. HERRIDGE: I admit what you did in one instance certainly helped out the other civilians around them. They seized it with good heart.

Mr. PAWLEY: I think we can do much more on an unofficial basis and on a liaison basis with the veterans welfare services. Mr. Rider's men who are in the field are quite free to come to us at any time and seek our advice. Our man attended a meeting I think in Nakusp about a year ago.

Mr. HERRIDGE: That is right, I was there.

Mr. PAWLEY: If we can keep this on a more or less unofficial basis I think ultimately, we will have more success. Then we can withdraw fairly gracefully. Otherwise, if we go in on an official basis, I just do not think we could deal with it and keep the good feeling of veterans and of B.C. Hydro while, at the same time, maintaining our reputation.

Mr. HERRIDGE: Well I must say, Mr. Director, you are a diplomat. I am not suggesting anything official but, in this one instance I spoke of, your man went in there and made a report, which I read. And, as a result of that report—he was indignant at what he saw—the B.C. Hydro came along shame facedly about a month later and raised the price \$4,000. Now, that was all unofficial. But, of course, the owner in question was not long in telling his neighbours what they could do if they stood firm which, at the same time, I am telling them to do.

The CHAIRMAN: Are there any other questions on Vote 40?

Mr. CARTER: I would like to second what Mr. Herridge said about the good work that the Veterans' Land Act has done. I am only sorry that more of it has not happened in my own province but that is not the fault of the Veterans' Land Act, it is because we are not too land-minded there as we get our living from the sea and even that has been disappointing.

It is easy to see that the Veterans' Land Act has done a wonderful job for veterans and now, under the new regulations, the work has increased by 30 per cent, I think. I have been wondering if this is really going to create staff problems. Do you think you can really handle this with the small additional staff that you mention on page 4? You say:

At least eight additional fieldmen will be employed.

I am just wondering whether you can really get along with such a small increase in staff.

Mr. PAWLEY: Well, Mr. Chairman, I am quite confident that we can handle the increase on the basis that was suggested there. Actually, the employment of eight people at this time does not really mean too much because it takes at least six months before these people know enough about the Act to be able to go out on their own and carry out a job.

I think that with some manipulation, by moving people temporarily from one area to another, cutting out work that can be deferred and obtaining the co-operation of the veterans, I am quite sure that we can deal with it.

Now, one of the big things that has caused us a little bit of concern is the increase in the number of applications for qualification. You will notice that, in Ontario alone, 134 per cent. In order to meet this situation, we have made the qualification procedure much easier than it was before and, really, all we are doing is protecting their eligibility so that when the 1968 deadline is reached they are eligible. This is what most of the veterans coming in now, are desiring to do.

Now, it creates a work load but not nearly as big a work load as did the previous procedure and I think we are going to have two hard years and there is no doubt about it. The increase could cost a couple of hundred thousand or maybe three hundred thousand dollars more this year than it did last year. I am satisfied we can cope with it.

In the past, experience has indicated to us that there is a tendency to become a little alarmed. Actually, if we read our statistics, there is a potential 50 per cent increase, on the basis on which they are presented. But we think a 30 per cent increase is apt to happen and it could quite even be that it would be less than that. These things have a tendency to spread themselves over, because people cannot make their arrangements all that quickly, with the result that they spill over into the next year. I am satisfied that we can handle it all right.

Mr. CARTER: You mentioned a number of factors which accounted for this tremendous increase. These included changes made in the new legislation and one of them was that instead of requiring the veteran to pay back his re-establishment credit, as he would have to do formerly, it is now added to the loan and he can amortize it along with the rest of the loan.

Would you say that had been a big factor in accounting for this increase?

Mr. PAWLEY: I do not think, sir, that it has accounted for much of the increase. I think it is a convenience. It means that there is a smaller amount of money to gather up in order to come under the Act but, on the average, this is only \$400.

I feel that the whole nature of the amendments being made last year has created circumstances which permit veterans to do what they want to do. Without criticizing the content of the Act previously, I think that the ceilings in the Act were always just a little below what was required, with the result that it restricted establishment. It caused veterans to make substantial excess payments in order to buy a property or a farm. Now, this is within reasonable relationship with what they can do under C.M.H.C. for example. I think this is the real reason.

Now, the second reason is that in order to make sure that veterans are aware of the provisions of the Act, we have been doing some advertising in the form of publicity. In some areas we had to call a halt on it because a strip

appeared in a newspaper and the next day the corridors were lined up with people. But we have had some reasonably extensive publicity across Canada and this has been another big factor.

For some reason or other, veterans felt that we were out of business and it has apparently come as a surprise, this is the report I get, that we are still in business.

Mr. CARTER: Now you are in, bigger than ever. On this 1968 cut-off date, have you any idea what percentage or number will still be not established?

Mr. PAWLEY: I am now estimating there will be approximately 30,000 veterans qualified not established.

Mr. CARTER: The whole 30,000 you mention here, will not be?

Mr. PAWLEY: Yes.

Mr. CARTER: How long will it take to take care of these?

Mr. PAWLEY: Well, the cut-off date for new establishments is 31st March, 1974. This is in six years' time. Last year our present staff, for example, established 6,000. I think that with the net number that will be established out of those 30,000 over a five or six-year period if they have their application in before the 31st March, 1974 they can still build their home or buy their property after that. They have one year after that. So, within the total span of 7 years, I am quite confident that we can handle that number.

Mr. CARTER: That is assuming that your assessment of 30 per cent instead of the potential 50 per cent make application. This was a total potential increase of 50 per cent, I thought you said, but you have discounted some of them and you have re-assessed them at 30 per cent.

Mr. PAWLEY: We have established 6,000 veterans a year for 7 years, making 42,000 veterans we have established. Out of the 30,000 that are qualified not established at the end of 1968 about 60-70 per cent of these people will be established. So this means approximately 20,000 out of this 30,000 will be established. The balance may not be.

Mr. CARTER: Thank you very much.

The CHAIRMAN: Are there any other questions, gentlemen?

(Translation)

Mr. LATULIPPE: Are there many requests for establishment on farms under this act? Are there several requests of this kind in this way? Do you have several requests to establish veterans on farms? Are there several requests for establishing veterans on farms?

Mr. PAWLEY: The number established as full-time farmers in 1965-66 was 261. Now, this happened to be up 20 from the previous year 1964-65. Out of the 30,000 that may be qualified and not established by 1968 I would doubt if there would be any more than a small token number of maybe 10, 15 or 20, who would ever be established as farmers simply because these people will have an average age of about 54 or 55 years and not many people want to become farmers at that age.

However, under the provisions of our small family farm, there may be a few, especially those retiring from the armed service, who might like to take advantage of these provisions. However, even at that, I do not think there would be very many.

The CHAIRMAN: There are no more questions that I can see. Shall Item 40 carry?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Item agreed to.

Before we adjourn, gentlemen, our next meetings are on Thursday morning and Friday morning respectively, at 9.30 a.m.

I would like you to note that the meeting on Friday will be held in this room instead of in room 307 as stated in the notice I have just sent to you and to the people of the department.

CURRENT ISSUE
KEPT IN STACKS

REC'D. DIV.

ada. Parliament, HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

THURSDAY, MAY 26, 1966

Respecting the

Estimates (1966-67) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Mr. R. W. Pawley, Director of Veterans Land Act; Dr. K. S. Ritchie, Director General Treatment Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas (*Maison-
neuve-Rosemont*),
Mr. Tolmie,
Mr. Webb—(24).

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, May 26, 1966.
(10)

The Standing Committee on Veterans Affairs met this day at 9:40 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Emard, Fane, Harley, Herridge, Kennedy, Laniel, Madill, MacRae, Martin (*Timmins*), Ormiston, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (17).

In attendance: From the Department of Veterans Affairs: Messrs. Paul Pelletier, Deputy Minister, F. T. Mace, Assistant Deputy Minister, E. J. Rider, Director Veterans War Services, W. T. Cromb, Chairman, W.V.A.B., K. S. Ritchie, Director of General Treatment Services, R. W. Pawley, Director Veterans Land Act, G. L. Mann, Chief of Rehabilitation Services, Wm. Strojich, Senior Administrative Officer, C. C. Misener, Director of Admission Services, J. E. Walsh, Director of Finance, Purchasing and Stores.

The Committee continued the examination of the Estimates of the Department of Veterans Affairs.

The Chairman called Item 45, and the Committee proceeded to the questioning of the witnesses.

Items 45 and 35 were severally examined and carried.

Item 30, was called.

It was *agreed* that a "Poster indicating the deadline date of applications for Veterans' Land Act", be made available to the Committee.

At 11:00 o'clock a.m., the questioning of the witnesses continuing, Mr. Ormiston moved, seconded by Mr. Webb, that the Committee adjourn to Friday, May 27, 1966, at 9:30 o'clock a.m.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, May 26, 1966

● (9:32 a.m.)

The CHAIRMAN: Gentlemen, I see a quorum so I think we should start immediately. I hope we can get as far as possible in the 1 hour and 15 minutes left. We have five more items left to deal with in the estimates and I think we are coming close to the end of our study. We will see how far we can get this morning.

Before we start, there are two things I want to bring to your attention. First, you all received a letter from the clerk regarding the trip to Europe. Twenty members have already replied to that letter in the affirmative and there are four replies not yet received. It would be appreciated if you could advise us, either today or tomorrow, whether or not you can participate in that trip.

Mr. CHATTERTON: Before you leave that, may I ask is the clerk going to take care of our passports and so on, or do we do this individually?

The CHAIRMAN: You do this individually. If you need information on this you can ask the clerk. There is also the matter of inoculations. If you can arrange to have them in sufficient time to avoid being sick on the trip, it is very much better.

An hon. MEMBER: Do we get these inoculations over at the health department?

The CHAIRMAN: At No. 3 temporary building next to Justice.

The CLERK: You can get them at the Health and Welfare Clinic any time at all. You just walk in and they give it to you and you walk right out.

The CHAIRMAN: Secondly, if you recall, at a previous meeting I read a letter we had received from the Royal Canadian Legion, who wanted to appear before us concerning the study we made on the Hong Kong Report. They have asked to appear before the Committee and they wanted us to give them about half an hour of discussion on the resolution adopted at our last convention about the Hong Kong Report.

So I would suggest to Mr. D. M. Thompson that we would try to make available that half hour at our meeting tomorrow. I think that should conclude our study of the Hong Kong Report. After that, the subcommittee could start working on some special report to the House, which will be submitted to you.

We will come back this morning to Vote 45. The other day we completed Vote 40. Mr. Pawley has put up an advertisement this morning concerning the deadline about the Veterans' Land Act assistance still available to veterans of World War II or Korea. The deadline is October 31st, 1968.

Before we start on Vote 45 I think I could permit some questions on that advertisement, if you have something in your minds concerning this, taking into account the fact that we did complete Vote 40. I would not like to go back to Vote 40 but if there are the odd questions, I would be willing to accept them.

Mr. CHATTERTON: Did you say Vote 35?

The CHAIRMAN: No, Vote 45.

45. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act, \$145,000

Mr. CHATTERTON: May I ask, Mr. Pawley, is there still considerable interest in this section 38?

Mr. R. W. PAWLEY (*Director, Veterans Land Act*): In 1965-66 there were 42 settlements under this section compared with 35 in the previous fiscal year. Thirty-seven of the settlements in the past fiscal year were administered by the Alberta district but the establishments, in the main, took place in the Yukon and Northwest Territories and it is very popular in these two areas.

Mr. KENNEDY: Regarding that advertisement, I wonder if that was clear enough? If you are sending this out as publicity, I wonder if it is clear to veterans what the qualification is?

Mr. PAWLEY: This is just a small portion of those things we are attempting to do Mr. Chairman. As a matter of fact this suggestion was made by the Atlantic district and we find that veterans do not read, any more than anyone else does.

Our hope is that this might spark off some interest by a veteran and that he would then inquire further. We felt that if we could get this point across, it was probably as much as we could do at any one time. It is our intention, especially in the smaller outlying areas, that this will be put up in the post office or some other location where people congregate and will see it.

Mr. WEBB: Could members of the Committee have one of those signs?

Mr. PAWLEY: I would be glad to send copies of it over to the members of the Committee and we have French copies of it which we will be expecting in the course of the next three or four days.

In addition to that, and if you, Mr. Chairman, and the Committee so wish, we have one or two other small brochures that we hand out. One is entitled "How to Select a Small Holding Property" so that it will give people an idea of how to go about this—and it is surprising that many of them do not seem to know this—and there are one or two other little pamphlets dealing with life insurance, group life insurance, and so on.

This is done, not from the point of view of advertising, but of getting information across in an attractive manner—something similar to this—to spark off their interest, if they are interested.

The CHAIRMAN: Mr. Pawley, for the purpose of clarification, will these be sent to Legions all over the country?

Mr. PAWLEY: These will be put in the hands of our field staff—the 200 field staff across Canada—and they will then put them in locations within their field which, I am quite sure, will include the Legion branches in almost every case.

Mr. ORMISTON: I apologize for not being here at the last meeting and I would like to ask a question on the smallholdings. Some of us have had correspondence regarding the size of the smallholdings on the outskirts of the larger cities.

Evidently, where the owner was putting in a sewage disposal system of his own, the area was not quite large enough, according to the local health authorities, to dispose properly of the waste. Has this been given any further consideration or have you ever had any complaints of this nature?

Mr. PAWLEY: We have not had any complaints of this nature, Mr. Chairman. Generally speaking, and while there may be exceptions to this rule, the planning boards across Canada, and the municipalities, require at least 15,000 square feet, if there is no municipal water or sewer available. Half an acre is 21,780 square feet and usually it is sufficient.

Now, there may be special circumstances which would cause the use of a septic tank to require a higher area than that, but I have not heard of any.

I can say this, and I think possibly I should, sir, with your permission. The half acre size has been criticized as being too much in the present day circumstances. As you know, the history of V.L.A. and smallholding establishment started off initially with really no designated area. However, half an acre seemed to be the acceptable size. We developed a large number of subdivisions in the early stages on a half acre basis. In 1947 the acreage was increased to a minimum 2-3 acres.

This created considerable difficulty with local planning boards, land use, and so on, with the result that in 1962 it was reduced by regulations to half an acre.

Mr. HERRIDGE: Sparked by the Legions of Kootenay West.

The CHAIRMAN: Thank you, Mr. Herridge.

Mr. PAWLEY: We are now in the situation where, if this regulation were ever changed, we just could not handle the volume of work and I think it would be in a strictly housing program, which is way beyond the intent of the Act.

My own personal opinion, in my advice to the Minister on this question, is that while there may be many arguments against it, I see no alternative but to try to hold the line on the half acre size.

Mr. HERRIDGE: I think we all agree with you on that, Mr. Director. If any man wants to live on less than half an acre, he is a damned fool.

Mr. CHATTERTON: Are we still on Vote 40 or are we on Vote 45?

The CHAIRMAN: Well, we are on Vote 45, with a little leeway.

Mr. KENNEDY: I just want to pass on an observation on the half acre. It seems that I am getting an increasing demand by veterans that this should be reduced. There are built-up areas and they want to get in close to work and they find that, in order to get a half acre of land in a built-up area, first of all it is very costly and secondly, in most cases it is just not available.

What can be done about it, I do not know, because you are getting into the national housing business area and you are going to probably take over half their business if you reduce the size of an ordinary lot.

Mr. PAWLEY: There is one surprising thing about the half acre establishment. The average size of land of individual smallholders across Canada is increasing rather than decreasing and, in my own observation as I go across Canada, I do not think there is any doubt that the smallholding aspect is definitely a way of life. And I think it is on the increase rather than on the decrease. But, nevertheless, I have to agree that there are problems when you get a large acreage close in to a built-up area.

Mr. WEBB: I think Mr. Kennedy has expressed this well. I have had a few veterans writing to me regarding not being able to obtain half an acre. Apparently, on the outskirts of the small municipalities, the farmers are now dividing the lots up. They are setting them at a premium price and they are not in half acre lots.

The Act says, Mr. Pawley, that the half acre will be in block, does it?

Mr. PAWLEY: Mr. Chairman, the Act or the regulation does not specify this. It leaves this discretion to the Director.

But when you buy a parcel of land composed of three or four separate smaller parcels or less, then you have legal fees connected with the purchase of each separate parcel, as a rule. It becomes very costly, from a legal point of view, and the legal fees can run up as high as 4, 5, or \$600. We have established, as a matter of policy, that it will be in one block.

I made a quick trip to London yesterday and I was quite startled to realise that developers in the area of London, Ontario, are now starting to include in their developments half acre lots. Now, these may be split down into one or two smaller lots but they are actually registered on the basis of half an acre. It seems that, in a limited quantity at least, some subdividers are starting to cater towards our needs.

From my point of view, it would be more preferable if this could continue. However, there are many half acre properties throughout Canada and these people are digging them up, from where I do not know, but there are many of them coming forward.

Mr. CHATTERTON: Mr. Chairman, are we still going along on this leeway?

The CHAIRMAN: Yes, but after a while we should come back more in line with Vote 45. Is that a supplementary, Mr. Chatterton because I have Mr. Tolmie next.

Mr. CHATTERTON: My question was on Vote 40 but if you want me to get it in now, I will.

The CHAIRMAN: I will have Mr. Tolmie, Mr. Chatterton and Mr. Herridge, then the leeway will be completed.

Mr. TOLMIE: Mr. Chairman, this question of V.L.A. lots was brought to my attention very recently by a letter from one of my constituents, who pointed out certain discrepancies and complaints.

Now I gather, from the information supplied this morning, that it is basically a question of administration and that if you had the staff and consequently, of course, the funds, that this would be possible. When I say 'this' I mean the decrease of the size of the lot from a half acre. Therefore, it would be a matter of governmental policy to make this change.

It seems to me that there have been a lot of just complaints in this regard and maybe this is one of the aspects of organization that should be considered. Would that be a fair comment?

Mr. PAWLEY: I do not think there is any doubt, Mr. Chairman, that this is a matter of policy and something upon which I possibly should not be expressing any opinion, either one way or another.

I would, however, like to point out that during our 20 years of operation and while the provisions of the Act and regulations required at least a two or three acre or a half acre parcel for establishment as a smallholder, that thousands of veterans would have liked to have taken the opportunity of something less than that.

Now, if it is changed at this stage, in my own mind, if the Minister were to ask me such a question, I do not really know whether it would be fair to that large number of veterans who have made alternative arrangements because they could not get something less than half an acre under V.L.A.

I have to admit there is some inequity here but I do not see how it can be changed administratively and be entirely fair to all people who have gone before.

Mr. CHATTERTON: I am just going to ask, are you developing more of your subdivisions now on a half acre basis?

Mr. PAWLEY: We have developed three small subdivisions in Saskatchewan in the last three years.

Mr. CHATTERTON: This was land that was owned before?

Mr. PAWLEY: No, this is land that we acquired. Saskatchewan seemed to drag in the establishing of smallholders and they have developed three.

The CHAIRMAN: Mr. Herridge, on Vote 45.

Mr. HERRIDGE: I think the Director will agree with me when I say that when this legislation was first drafted and the Committee in 1945 met to discuss it, this question of living on smallholdings was considered as a way of life, to get the veteran away from living in more crowded circumstances. Finally, it was reduced to half an acre and I was quite correct in saying that this agitation commenced in Kootenay West, because of the nature of our district.

I know of hundreds of these fellows who are living under these circumstances, growing some of their own vegetables and fruits and keeping a few chickens, and that sort of thing. And it has been a very worthwhile piece of legislation.

But I just want to ask the Director if he could inform us of what has been done under section 38 on provincial lands in the last year in British Columbia.

Mr. PAWLEY: In British Columbia we had no settlements last year, Mr. Herridge, and only one the previous year.

The CHAIRMAN: Are there any other questions on Vote 45? Shall vote 45 carry?

Item agreed to.

The CHAIRMAN: Thank you very much, Mr. Pawley. I will now invite Dr. Ritchie to come to the front for the next two Votes.

Mr. CHATTERON: Mr. Chairman, just a moment, on a point of order. We have not completed Vote 40.

The CHAIRMAN: Yes we did, on Tuesday morning.

Mr. CHATTERTON: I want to ask permission to ask another question on it. I am sorry, I thought we were coming to Vote 40, otherwise I would have used the leeway, Mr. Chairman.

Mr. Pawley, may I first commend you for the valuable statement you made and the graphs with which you provided us. This was very helpful and valuable.

You have indicated the tremendous increase in the volume of work last year and you forecast a further 30 per cent increase in the volume of work in 1966-67. And yet elsewhere, on page 2 of your statement you say:

I think that a 20-25 per cent increase is the limit.

Can you tell me to what extent are the field men across Canada behind in their field work now, considering the fact that they are handling the qualifications on their own?

Mr. PAWLEY: I can only speak with precise knowledge of the Western Ontario sub district and yesterday they were eight appraisals behind. That is, in making offers to purchase. The average number of appraisals the field staff are behind, is around five to eight—somewhere in that vicinity. It is not serious.

In British Columbia we, of course, have had a large volume of work. In a discussion with the Superintendent not over two weeks ago, he felt they were coping. I cannot say we are right up to date because I know we are not, but our work usually declines in the summer, when people get away on holiday, and especially in the latter part of July and the first part of August. This is always a low area of work.

With doing the things indicated in this statement, I think, Mr. Chatterton, we can continue to cope with it. We are behind but I do not think seriously.

Mr. CHATTERTON: But you indicated that there would be an additional 30 per cent increase next year.

Mr. PAWLEY: Now, I want to make this clear, that actually the 20-25 per cent was the increase we handled for the previous fiscal year. But, on top of that, we are anticipating another 30 per cent for this year.

Mr. CHATTERTON: Over and above last year.

Mr. PAWLEY: Over and above last year. So, in the two years, theoretically this could be a 50 per cent increase in work load.

I know that we are on thin ice in this regard and I am a little worried about it but, certainly, with the attitude and enthusiasm being displayed in the sub district at London and by others in Ontario with whom I have talked—and I can reach these people easily—I feel that we can handle it satisfactorily.

Mr. CHATTERTON: But Mr. Pawley, you said yourself you are now barely coping and, for my part, I know that in spite of the good field men we have, they are more than eight places behind in their work.

If they are barely coping now, and you anticipate an additional 30 per cent increase, what I am afraid of is that you are going to get behind in your work and the good name which the V.L.A. staff and organization have built up is going to suffer.

I do not want to put you on the spot, and the Minister would not say 'yes' or 'no'. He would have probably one or two alternatives. One is to take on additional staff, which you rightly are reluctant to do. But it seems to me that most of the increase is by virtue of qualifications. There was an 80 per cent increase last year. If you find yourself in the position of getting behind in your work, I merely ask you to give assurance that you would consider recommending to the Minister that this deadline with qualifications only, be extended. Because it seems to me that would be the logical solution.

The loan date for 1974 for new loans would probably be all right but if the deadline date for qualifications were extended—if you find the increase in your work as great as anticipated—that would solve your problems, it seems to me.

Mr. PAWLEY: At the present time, Mr. Chatterton, I am not entirely in agreement that it would solve our problem. Possibly we can admit an error in estimating the volume of business. In the circumstances, I think it would take more than an expert to estimate a 50 per cent increase in V.L.A. in two years, but 1968 is two years away. Our immediate need is going to be this year.

If the situation continues or does exist in 1968, then I can only say what the Minister said the other day, that we would have to have a look at it then. However, I have a great deal of confidence in the field staff and in our District staff across Canada and we will cut out non-essential work for veterans who are established, because I am quite sure, if we do this, the least criticism will come from that group. We will deal with those people who are wanting to become established as new settlers. By so doing, I think we can handle it.

Mr. CHATTERTON: Mr. Chairman, I do not want to abuse the privilege you have given me but I have one more question only, and that is with regard to the increased loan for farmers—the additional \$20,000 in part 3 at 6½. How many of those loans have you processed?

Mr. PAWLEY: The additional loans to establish commercial farmers in 1965-66 was 1,202 as compared to 883 the previous year. I cannot tell you, Mr. Chatterton, the precise number of these which represented amounts over \$20,000 at 6½ per cent. I would estimate there would be in the vicinity of 300-400.

Mr. CHATTERTON: Which is a very small number, considering the over-all surveys that have been made, showing that capital is one of the greatest shortages of farmers.

I just want to record, Mr. Chairman, that I strongly objected, at the time the Act was amended to allow interest rates to be set by governor in council. In effect, what is happening is that the government is charging the veterans for part of the administration because the cost of money to the government is about 5½ long-term money. So they are charging the veterans 6½. This is a completely new departure.

They are, in effect, making profit out of the veterans out of administering this Act. It should have been set at the cost of money to the government plus, if the government wanted to, maybe ½th or one ¼ per cent over the cost of the money to the government.

The main reason they did it of course, was to make it conform to the Farm Credit Corporation. But the fact is these are veterans and they have always received special consideration I think this was an unwise precedent that has been set—to charge the veteran for part of the administration.

The CHAIRMAN: That is a very interesting statement.

Mr. HERRIDGE: If I can take advantage of Mr. Chatterton's leeway on procedure, to ask one question of Mr. Pawley.

Would you mind telling the Committee what instructions are issued to appraisers when they go to value a property? On what basis do they value a property?

Mr. PAWLEY: I presume, Mr. Herridge, that you mean for the purposes of expropriation?

Mr. HERRIDGE: Yes. You smelt a rat, apparently.

Mr. PAWLEY: Our staff in the field receive a prescribed course of study leading to accreditation under the Appraisal Institute of Canada. While many of them do not have this accreditation they, nevertheless, have a fixed approach to appraisals. One of the first requirements is to know the purpose of the appraisal.

For our purposes under V.L.A. on smallholdings, our staff use primarily what is known as the market approach to value. This is based on the sales of comparable properties or land in the area, which have taken place. On farms, we will depend more on the ability of that farm to produce. In other words, what is its value as an income-producing proposition. For purposes of taxation, expropriation and assessment, there is a great divergence of opinion. We do not get into this field, except for expropriation.

The value that our men place on these properties for expropriation purposes is primarily done to protect the Director, not the veteran. The

Director's investment, which represents public investment, is usually based on what would the market value of this property be, in normal circumstances. If something in excess of this is acquired, because of forceable taking or the threat of forceable taking, then this is attributable to and paid to the owner for his trouble in having to go through this process.

The courts at the present time—and I know, Mr. Herridge, this will please you—are basing compensation on the value to the owner. Now, in a very rough interpretation, value to the owner is what it would cost to replace this property in a different location.

Mr. HERRIDGE: That is my philosophy, yes.

Mr. PAWLEY: Now, we will use a combination of many of these which may apply and the judgment in this respect is left to the man on the ground.

Mr. HERRIDGE: Just one more question, Mr. Pawley. Thank you for your excellent illustration. When the market value is being studied, is that obtained as a result of breaking down the cost, as the value of land cleared, uncleared, value of buildings, and so on, that are on the property?

Mr. PAWLEY: No sir, this is what is called a replacement value or a reproduction value in which you consider each of the component parts of a property and attempt to estimate the cost of replacing each component part—if it were land, if it were a building or if it were something else. Then you add them together. This, as a rule, represents the highest value that is usually placed on a property. They might start here and depreciate for age and other factors.

But market value is strictly based on what are comparable properties selling for on the market; what are people on the market paying for these properties? And then these are adjusted to the subject and they come up with the value estimate.

Mr. HERRIDGE: Thank you.

The CHAIRMAN: Thank you, Mr. Pawley. Actually, gentlemen, the main reason why I thought we should give latitude this morning on these two Votes is that last Tuesday, many Members, coming back from a long weekend, could not be here.

We shall now proceed to Vote 35 with Dr. Ritchie. You will find this at page 541:

TREATMENT SERVICES

35. Hospital Construction, Improvements, Equipment and Acquisition of Land, including contribution to the Province of Alberta towards the cost of constructing and equipping a nursing home in accordance with the terms of an agreement between the Province and the Federal Government, \$5,058,000.

The CHAIRMAN: Are there any questions?

Mr. HARLEY: I do not see anything in this specific item about the difference in hospital costs at the present time between say, an active treatment bed and a domiciliary care bed, if you are going to put up an institution for domiciliary care only. Have you any up to date figures on this?

The CHAIRMAN: You do not mean the operation thereof, you mean the cost of construction.

Mr. HARLEY: Yes, cost of construction.

Dr. K. S. RITCHIE (*Director general, Treatment Services*): I do not know that I can quote precisely on any figures because it depends upon the amount of facilities you incorporate in active treatment beds or in your domiciliary care beds.

I think the amount is extremely variable. For a domiciliary bed, it could go up to somewhere in the neighbourhood of \$8,000 a bed and the cost of an active treatment bed can go from \$20,000 upwards, depending upon the facilities.

Mr. TOLMIE: Mr. Chairman, I do not know whether this is relevant to this particular Vote but it pertains to the question of Sunnybrook Hospital.

We read reports, and I do not actually know how far the negotiations have gone, that the jurisdiction or that certain facilities will be turned over to civilian authorities. I would like some explanation of this position and also perhaps some comment on whether this is going to be a general policy pertaining to other hospitals of a like nature.

Mr. RITCHIE: I do not know whether I understand you correctly. What will be the position of Sunnybrook Hospital?

Mr. TOLMIE: Yes, what is the actual nature of the transition?

Mr. RITCHIE: The change will be to university administration. The University of Toronto will be completely responsible for the administration and responsible to the Department of Veterans Affairs for the care of the veterans who are entitled to treatment in that institution.

Now, the staff will be transferred directly to them. They will provide the medical staff and supervise the care of all the patients. This will be the policy insofar as the transfer of any departmental institution to another authority is concerned.

Mr. TOLMIE: Will this make it available to civilian patients? This is the purpose, is it not, to utilize it to the fullest?

Mr. RITCHIE: They will utilize it to the fullest possible extent. In the agreement, we reserve a priority on the number of beds that are estimated to meet our full treatment requirements.

Mr. COWAN: Can you tell us the number of those beds, sir?

Mr. RITCHIE: The number of beds at Sunnybrook Hospital will be 1,200 beds reserved for veteran patients.

Mr. COWAN: How many does that leave directly under the university?

Mr. RITCHIE: There is an extension program for the university. They are going to undertake the construction. The total estimated number of beds I think, and these are additional active treatment beds, will be some 500.

Mr. COWAN: How many beds are there at Sunnybrook now? Forget about the extension that is coming.

Mr. RITCHIE: There are 1,500.

Mr. COWAN: Fifteen hundred. You are reserving 1200 beds for veterans. That means there are 300 beds available for civilians, under the University of Toronto.

Mr. RITCHIE: No, these are not immediately available at the present time. We have wards closed at Sunnybrook Hospital at the present time.

Mr. COWAN: Yes, I know that. I have been in them.

Mr. FANE: Mr. Chairman, I notice here the contribution to the province of Alberta towards the cost of constructing and equipping a nursing home is \$500,000. Is that in connection with the replacement for what used to be Government House in Edmonton?

Mr. RITCHIE: This is true. This is a joint project with the province of Alberta in which they are building 150 beds for domiciliary and chronic care.

Mr. FANE: And that takes the place of what was Government House.

Mr. RITCHIE: Yes, of what was Government House, plus some beds which are at the present time located at the University Hospital itself. I think you can call it the south Wing.

Mr. FANE: And that is to be provided in the not too distant future?

Mr. RITCHIE: It should be ready for occupancy at the end of August or early September.

Mr. FANE: This year?

Mr. RITCHIE: This year.

Mr. FANE: Very good. And that will provide a much needed facility for the veterans in that area.

Mr. RITCHIE: We hope it will provide a very excellent facility.

Mr. FANE: I am sure it will. Thank you.

(Translation)

Mr. ÉMARD: Mr. Ritchie, could you give us some information concerning the work that is to be carried out at the Ste-Anne-de-Bellevue Hospital, when will the work start, how many new beds will there be, etc?

(English)

Mr. RITCHIE: Well, the construction program at Ste. Anne's Hospital is for the building of 640, I think, as replacement beds on the St. Anne's property itself. This program is at the blue print stage now and the architects are developing the final plans for the new construction.

(Translation)

Mr. ÉMARD: Could you give us an approximate date when the work would start?

(English)

Mr. RITCHIE: I think construction is due to start some time early next year but not before that time. You see, by the time the working drawings are

completed and they have gone to tender, it will be early next year before they are ready to start.

The CHAIRMAN: May I comment, at this stage, that our visit to Ste. Anne de Bellevue Hospital was quite fruitful to the Committee and quite informative.

Are there any other question, gentlemen, on Vote 35? Shall Vote 35 carry?

Item agreed to.

The CHAIRMAN: We will now proceed to the study of Vote 30, again with Dr. Ritchie, at page 538:

TREATMENT SERVICES

30. Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, \$48,874,000.

The CHAIRMAN: This is on page 538, 539 and 540. Are there any questions on Vote 30?

Mr. COWAN: Dr. Ritchie, you just gave some answers to Mr. Tolmie's question regarding Sunnybrook and the Minister had some comments to make the other day—rather nebulous I thought—regarding Sunnybrook. How long do you think it will be before an agreement is reached with the University of Toronto on this Sunnybrook set-up?

I have been interested in this for four years so I am wondering how much more of my life I should devote to it.

Mr. RITCHIE: They have a target date, I think, of the 1st July and they hope to complete their requirements by that date. Now, they may not be able to reach this but this is the present date.

Mr. COWAN: Which date?

Mr. RITCHIE: July of this year.

Mr. COWAN: July of this year. That will be in about five weeks.

Mr. RITCHIE: Yes.

Mr. COWAN: Is the Wellesley Hospital still making use of the ward or two for arthritic patients at the moment?

Mr. RITCHIE: Yes, but they are drawing to a close. They will be ready to move out very shortly.

Mr. COWAN: When would the University of Toronto be likely to put civilian cases in there?

Mr. PAUL PELLETIER (*Deputy Minister, Veterans Affairs*): Mr. Chairman, may I answer this?

The CHAIRMAN: Yes, Mr. Pelletier, please.

Mr. PELLETIER: As Dr. Ritchie has pointed out, the target date which the University would like to reach is July 1st. Now, this may not be reached but, assuming that it is, it is anticipated that the conversion program will take at least three years because of the fact that the hospital has a lot of patients in it.

This does not necessarily mean that it will be three years after the signing of the agreement when civilian patients will be admitted. But it does mean that it is not anticipated that the University hospital will be in full operation, as a University Teaching Hospital, for the period of three years after signing.

Mr. COWAN: I could not care less about full operation. I just want to know when they can get some civilian patients in there. The Doctor has just said that there are wards in Sunnybrook closed now. Can the University of Toronto not make efforts to open them up at once, instead of waiting until their construction program is all finished?

Mr. RITCHIE: I think this will certainly be a decision which is left to the University. But there is so much reconstruction required within the interior of the hospital that I would imagine they would tend to reserve those wards empty, in order that they can have some facility to reconstruct within the building. But this will be their decision. At this time, we cannot tell what their plan is.

Mr. COWAN: It is a wonderful hospital now, I wonder what reconstruction is necessary inside. Are they going to paint the lily?

Mr. RITCHIE: This is going to become a very active teaching hospital, as part of the University, and they will want additional research and laboratory facilities, which have to be provided within the main building.

The CHAIRMAN: As a comment, Mr. Cowan, the Steering Committee is planning to organize a visit of the Committee to Sunnybrook at a later date, when we will get more information on the hospital and all its services. Are there any other questions?

Mr. COWAN: We do not need any information on the hospital, Mr. Chairman, we need some information on when there is going to be some action. That is what I am trying to ascertain. It is always in the future that things are going to happen at Sunnybrook and we have a tremendous bed shortage for active treatment cases in the city of Toronto at the present time, while we are told there are a couple of hundred empty beds at Sunnybrook. What the hell does that matter to the civilian population?

We may be short of beds but there are a couple of hundred beds empty at Sunnybrook Hospital and the University of Toronto may take three years before they get around to filling them. Very, very interesting. In fact there is money invested in those empty beds, you know. But to try and get action from either one source or the other, you might as well swim up Niagara.

Mr. PELLETIER: I think, Mr. Chairman, one thing that should not be forgotten is that the main, if not the exclusive, reason why these beds are empty is because it is difficult, if not impossible, in some cases to staff them. This the real reason. And it is not because we are not paying good enough salaries—we are. But if you cannot staff a bed, you cannot fill it.

If all those beds were staffed, presumably most of them would be full—full by hospital standards up to 80 or 85 per cent, the capacity of the hospital.

Mr. COWAN: I understand there are 24 hours in the day, but you do not need to tell me. I happen to have a slight acquaintance with hospital practice and what the staffing problem is.

You have down here for overtime on page 538, \$800,000 for 1966-67, an increase over 1965-66. What class of people are getting that overtime—the nurses, interns or ground keepers, painters or maintenance men, or who?

Mr. RITCHIE: I think primarily this is mainly nurses, laboratory and x-ray personnel and nursing orderlies. Primarily, it is in the nursing services.

Mr. COWAN: That is magnificent. Why the increase? I am not protesting about the increase but why the increase from 630 to 800 in this year?

Mr. RITCHIE: This is because of a general staff shortage throughout all of our hospitals, actually. Sunnybrook is only a reflection of a trend throughout the country and our difficulty to get adequate treatment personnel.

Now, when we cannot get enough staff it simply means that we have to work some of our staff overtime when somebody is off sick. We cannot call upon anybody else to carry on.

The CHAIRMAN: Mr. Webb.

Mr. COWAN: You have, on the next line, "Night Differential Payments for Operating Services \$300,000"—the same for both years. Is that primarily to the nursing staff?

Mr. RITCHIE: This is to all staff who are required to work on evening or night shifts.

Mr. COWAN: I have seen, over the years, your—I do not know what you call it—table, showing your shortage of nursing staff as against what you would call your establishment requirements. I have seen it as high as 9 per cent, 10 per cent and 11 per cent—the form you turn out every month.

What has been your staff shortage; what have the figures been like since you introduced this night differential, as you call it?

Mr. RITCHIE: I do not think there has been any material change in this. This was not just introduced in hospitals. This is something which has been introduced throughout the government for evening and night shifts and it applies to all government employees.

Mr. COWAN: But we are talking, now, of Item 30 in the Department of Veterans Affairs.

Mr. RITCHIE: Yes.

Mr. COWAN: I am not talking about the whole government.

Mr. RITCHIE: It has not made any difference in the staffing pattern.

Mr. COWAN: It has not made any difference?

Mr. RITCHIE: No.

Mr. COWAN: Is that because the differential is not big enough?

Mr. RITCHIE: I do not think it can be based on this. We just have not the staff available, actually, to increase our staff. We cannot recruit them. It is a serious difficulty. There is a nurse shortage throughout the country and we are sharing it.

Mr. COWAN: You are a medical man, sir?

Mr. RITCHIE: Yes.

Mr. COWAN: Talking about night differentials, what do you think the reaction would be if we had day premiums of extra pay for these nurses who have to work on public holidays and on Sundays, as compared with other people who work the normal Monday to Friday or, in the case of the MPs, Tuesday to Thursday shifts?

An hon. MEMBER: Speak for yourself.

The CHAIRMAN: Off the record.

Mr. RITCHIE: I do not know that I should express an opinion on this, at the present time, because I think this is a subject which is currently being discussed outside of the department; whether or not people who work on Sundays should be paid an additional premium.

Now, in a hospital, as you know, we work a 7-day week and we try, as much as possible, to rotate the week-end, evening and night duty throughout the whole staff. So that we have said if everybody is rotating, well then, there should be a rate of pay which would be commensurate with all of the duties, rather than paying a premium just when a person works on a Sunday. Because we expect everybody to participate in this rotation.

Mr. COWAN: Then when you make the statement that you do not think there has been any improvement in the staffing problem since you introduced the night differential payment, this does not indicate there has not been sufficient established? Differentials are established in order to get people to work nights.

Mr. RITCHIE: No, it was to compensate them for working odd hours. It is an inconvenience pay as much as anything else.

Mr. COWAN: You interest me. You are a medical man. You say that the night differential has been introduced to compensate them for working odd hours. I was only in business for 40 years and we paid a differential in order to attract labourers at that hour, not to compensate them for working odd hours. We wanted them to work at that time, when the facilities were available, because they were fully occupied in the daytime with the day staff.

Mr. RITCHIE: In most cases, these people are not on a permanent evening or night shift.

Mr. COWAN: I understand that, but a few people do prefer the evening or the night shift.

Mr. RITCHIE: That is so.

Mr. COWAN: Have you had any comments from the staff that the differentials were not big enough?

Mr. RITCHIE: I think we have had a number of observations that it was inadequate.

Mr. COWAN: And might I ask you where these discussions are taking place with regard to the premium rates of pay? You state you do not think you should comment on the situation now but discussions are being held elsewhere. Where is the elsewhere?

Mr. RITCHIE: I was referring, then, to Sunday premium rates of pay.

Mr. COWAN: Yes, well that is a premium rate of pay.

Mr. RITCHIE: I do not know exactly. This would possibly help in securing some part time people who only wish to work on week ends.

Mr. COWAN: I think you are right there, sir.

Mr. RITCHIE: This is the only attraction this might have.

Mr. COWAN: I think we have to come to it, myself. But where is the 'elsewhere'? You still have not mentioned the 'elsewhere', because I am willing to go elsewhere, I can tell you.

An hon. MEMBER: We will send you elsewhere.

Mr. COWAN: I have been sent before, and I am still here.

Mr. RITCHIE: I do not know whether I can answer this.

Mr. PELLETIER: Mr. Chairman, as Dr. Ritchie mentioned a moment ago, this whole question of rates of pay—be it pay differentials, Sunday differentials or night differentials—is something that is not unique to these hospitals.

I know, Mr. Chairman, we are on Vote 30, but this is not unique to the DVA hospital situation. This is something that concerns the whole public service and is something on which we, obviously, make recommendations, like any other department. But the final decisions are taken by the Civil Service Commission, Treasury Board and, finally, by the government.

So that the major discussions on all these questions of pay are not a departmental matter. They are an across the service question in which the Treasury Board and the Civil Service Commission play the major role.

Does that answer your question?

Mr. COWAN: Yes, I happen to know that discussions are going on in the TCA on the very same point we are talking about here.

I am in favour of day premium rates of pay and differentials for evening and night shifts and if there is any point at which these discussions could be hurried on, instead of having to wait for some years until somebody comes back from somewhere and reads some papers, and so on, I would like them to hurry it up. Because I do believe the staff situation in hospitals can be greatly improved if there are day premium rates of pay and there are sufficient margins between the day rate of pay and the evening and night differentials.

I am sorry to hear that you have not found the night differential payments has made any improvement in the staffing problem on the nursing side.

Mr. HARLEY: Before you leave that point, could you tell me what the night differential is? How much money does it amount to?

Mr. RITCHIE: I have not the precise information but there is a separate rate for evening and another one for night.

Mr. HARLEY: One is from four to twelve and the second one is from twelve to eight.

Mr. RITCHIE: Four to twelve; I am not sure whether this is the exact split in the hours but it has been set by the Civil Service Commission and government.

It is something like \$.06 and .08. But we can get these for you, if you would like them. If you would like the precise figures, we can get them for you.

Mr. HARLEY: Coming back to the staffing problem, how many of these people who are working these different shifts and drawing the night differential are actually part-time people and how many are full-time?

If they are full-time people and they are just rotating with other members of the staff, then the differential does not really mean anything because, eventually, they are going to come on to days, so it does not really attract more people at all. If you just pay them for a certain shift, how many would that be? Could you also find the figure for the number of people who have come in and worked those special shifts just because they are getting more money? In other words, they stay on a twelve to eight shift all the time or they stay on a four to twelve shift all the time.

Mr. RITCHIE: I think the staffing situation, in so far as nursing is concerned, has been so acute that we have had to take nurses when we could get them. And I think this is true in all hospitals. So that you have people who are coming on just certain days in the week or just weekends, and it has been very difficult for the director of nursing to try and integrate all these small almost hourly workers into a nursing program.

I think the main reason why this differential has not made the effect that Mr. Cowan would like to see is that we have never been able to hire enough nurses to be able to put people on a shift where they would get this on a continuing basis. In other words, there is really no premium, as Dr. Harley has pointed out, because these people have to rotate. We have had to continue this policy in our hospitals and it has been a detriment against acquiring additional staff. But we have a small nucleus who are prepared to rotate and if these people are on evening and nights all the time, they would never get on days. So when nurses come to our hospitals for employment, they are told that they will have to rotate. And, in many instances, they will not come because of this; because they want to work an evening or a night shift or all day.

The CHAIRMAN: Mr. Webb.

Mr. COWAN: Might I ask if the differentials you are paying in the DVA—I do not consider the ones that are paid in the province of Quebec and I admire Quebec for having broken ground in this field; they pay a differential there for the nurses on the evening and the night shifts—are as great as those that prevail in the province of Quebec or larger or just the same?

Mr. RITCHIE: I believe those in Quebec are larger than ours.

Mr. COWAN: I admire Quebec for what it has done in that field but the differentials are not very large, either, in that one. You say yours are less. I can understand why you have not seen much of an improvement in this staffing problem.

Mr. RITCHIE: In Toronto, I might say that I do not believe there is a differential.

Mr. COWAN: There is not, I am very very sorry to say. Very sorry to say.

Mr. RITCHIE: And in the city hospitals there is not the same differential.

Mr. COWAN: When you mention Toronto, Dr. Ritchie, might I just ask you to change that to Ontario, because it is a provincial matter rather than a municipal matter, you see.

On page 539 you have a line there "Laundry—\$290,000" in each year. My only interest in this is, is this money you pay to commercial laundries, or are some DVA hospitals operating laundries themselves?

Mr. RITCHIE: This is for commercial laundry contracts.

Mr. COWAN: Do you do all your laundry by commercial contracts or do some of the DVA hospitals have laundries?

Mr. RITCHIE: Some of our hospitals have their own laundries and we handle all our own laundry in these institutions. In Montreal we handle both Queen Mary Veterans and Ste. Anne's Hospital through Ste. Anne's laundry.

Mr. COWAN: How about in Toronto?

Mr. RITCHIE: In Toronto we have our own laundry.

Mr. COWAN: The reason I asked that, Doctor, and I ask if you are a medical man, definitely, is because we are having a wrangle in Toronto now, where the Ontario Hospital Services Commission wants to establish two laundries to do the laundry work of about nine hospitals. And we are catching plenty of criticism from the commercial laundries. I just wondered if the federal government was already in the business. We have a very good precedent, from the Ontario Hospital Services Commission angle.

Mr. HARLEY: I think I can tell Mr. Cowan—this is off the subject—but a long time ago the Oakville Hospital were in the laundry business and used to do laundry for other hospitals and the OHC made them get out of the business.

Mr. COWAN: Well, they are going into it, in Toronto, with two proposed laundries costing millions of dollars.

Mr. RITCHIE: I think there was a recent conference here, held by Health and Welfare on hospital construction, and this was one of the subjects which was discussed at that time. It was the consensus of that conference that it was highly desirable for community hospital laundries to be built to service more than one hospital. This is financially much sounder and can actually be quite practical.

Mr. COWAN: Quite right.

The CHAIRMAN: Does that complete your questioning?

Mr. COWAN: You have here 'Nursing Assistants—Trainees' Allowances \$57,000'. Where is the federal government training Nursing Assistants?

Mr. RITCHIE: We have a school for Nursing Assistants at Camp Hill Hospital in Halifax and these are the allowances that are paid to the Nursing Assistants while they are undergoing training.

Mr. COWAN: Is your Nursing Assistants training course a federal matter or is it integrated with the provincial matter? I am thinking of the provincial rights in education.

Mr. RITCHIE: It is a DVA school for Nursing Assistants. We operate it ourselves and the products from this school are available for re-allocation to other departmental hospitals.

Mr. COWAN: Girls with these certificates do not get employment in other general hospitals?

Mr. RITCHIE: They do, they are accepted elsewhere, but we try to employ their services within the department, if at all possible.

Mr. COWAN: Then on the next line you have 'Sundries, including allowances to student laboratory technicians'. Have you got courses in laboratory technicians?

Mr. RITCHIE: Yes, in a number of our hospitals we have been training hospital laboratory technicians for our own laboratories, to try and keep our supply of technicians current at all times.

Mr. COWAN: I notice that there is a drop in the estimates from 161 to 141.

Mr. RITCHIE: This has dropped off because, in some instances now, in some areas they have been able to co-ordinate the training of laboratory assistants through the provincial Technological Institutes.

Mr. COWAN: In how many places have you been training student laboratory technicians?

Mr. RITCHIE: Toronto, London, Winnipeg, Vancouver.

Mr. COWAN: Are the certificates you grant accepted by other hospitals?

Mr. RITCHIE: Yes, they are. These are schools recognized by the Canadian Association of Hospital Laboratory Technologists.

Mr. COWAN: Then the next item you have is Treatment Service—Medical Research and Education and under that subhead I am not exactly able to make out what your total would be there, but if you want to make it \$455,000 all well and good.

How do you divide that \$455,000 into Treatment Service on one side and Medical Research and Education on the other? What percentage?

The CHAIRMAN: It is all medical research and education. The heading is under Treatment Services.

Mr. COWAN: Oh, it is all medical research and education?

Mr. RITCHIE: Yes.

Mr. COWAN: I am quite interested in the fact—I am not criticizing the matter—that you are spending this kind of money on medical research and education in the federal field at the present time, when there is so much talk about medical research coming under this half a billion dollars they are talking about spending for the next 15 years.

Mr. RITCHIE: That is part of the National Research Council.

Mr. COWAN: That is all I have, Mr. Chairman.

Mr. WEBB: Doctor, does it not seem a shame that we have some 200 beds vacant at Sunnybrook with, I should think, some of the best equipment in the

world in that hospital, and yet we are building hospitals every day, at great expense. Yet they cannot compare with Sunnybrook. And these hospitals are being staffed as they are being built.

You mentioned that salary or wages was not a factor and I wonder what could be done about it. I know that you have tried, but it seems a shame, when they have a long waiting list of patients, and this wonderful hospital with that number of vacant beds just sitting there.

Mr. RITCHIE: I do not think the department has the only hospital in the Toronto area that has a large number of vacant beds at the present time.

You realise that we have a large group of chronic patients in the Toronto area and it is always more difficult to staff chronic beds than it is the the active treatment beds. The active treatment beds must, of course, have the priority because many of the chronic patients can be treated under other facilities. And this is the area in which we have had to limit our operation. There has been no restriction on the number of active treatment patients who have been admitted to the hospital but the cases must be handled on a priority basis.

Mr. MARTIN: You mention that there are 200 beds vacant now and that wards are closed down through lack of staff. At the same time, there is an expansion program going on. If there are no plans and no hope of getting any more staff, what is going to happen when this expansion program is finished? Are you just going to have that much more empty beds? Are there any plans afoot on how to cope with this problem?

Mr. RITCHIE: I think one of the main factors here is that we have a large complement of chronic beds and a relatively minor active treatment load at Sunnybrook Hospital. Now, with the expansion program, they are going to increase the number of active treatment beds so that it will be easier to staff the hospital than it is at the present time, that is they hope that it will be.

Mr. MARTIN: That is the purpose of my question. Is there just a hope or is there some definite plan afoot?

Mr. PELLETIER: In reply to that question, as a corollary to what Dr. Ritchie has just said, the essential reason we are transferring the hospital to the University is that, at the present time, our preponderance of chronic and domiciliary care patients at Toronto makes it exceedingly difficult to staff the hospital. Nurses are naturally more interested in getting into a hospital where they have a diversified patient load. They are not as keenly interested in taking care of elderly men who need a lot of attention but very little professional care.

Now, when this hospital is eventually expanded by some 300 beds to a total of some 750 beds, the patient load will be much more diversified. You will have Obstetrics, Paediatrics, et cetera, and this will result—quite apart from salary—in professionally attracting nurses to a greater degree than we have been able to do.

Mr. MARTIN: I can see the attraction coming in at the top, so to speak, but is not the shortage going to remain at the bottom?

Mr. COWAN: Definitely.

Mr. RITCHIE: There will always be a problem, I think, in staffing chronic beds. But fortunately, I think, with our group of patients, who are predominantly male, we are able to provide much of this service through Nursing Orderlies, whom we can recruit and train ourselves. But it is the professional nurse supervision that is so difficult to obtain at the present time.

Mr. WEBB: Doctor, with this shortage, in the meantime could they not employ people of less qualifications to look after these chronic patients? Because, today, we have in the country hundreds of Nursing Homes and there is not even a nurse in them. And these patients are being looked after.

However, if such staff were at Sunnybrook, and there was an emergency or anything, you have qualified staff there who could assist them. Could not people in the city of Toronto be employed, who would be very pleased to assist with these chronic patients?

Mr. RITCHIE: We have extended, in the Toronto area particularly, the number of auxiliary nursing personnel as far as we feel we can dare go.

We have employed nursing orderlies and, in reviewing our staffing pattern, one of the first criticisms the University of Toronto had was the large number of nursing orderlies we had in relationship to professional nurses.

We have employed all the nursing assistants we can recruit, or nurses aides, as they are called in civilian hospitals. We have employed people in the category of hospital maids who can give assistance to the nursing staff. We have explored all the avenues that we possibly can to employ nursing auxiliaries within the hospital.

Mr. WEBB: Is there any type of barrier against these people, such as the nurses or doctors associations, to prevent them from getting employment? Is there any such thing as that?

Mr. RITCHIE: No. As I say, we have employed all the people we can safely absorb within the nursing service as a whole. We cannot employ the auxiliary nursing staff without providing adequate professional nurse supervision as we do not want to lower the standard of care we are now providing to our veterans. This would be the only way in which we could open up these other wards. The decision was made to close the wards.

Mr. COWAN: Oh, pardon me. Pardon me, sir. You said 'the only way'. I do not agree that that is the only way. The daily premium rates of pay and a sufficiently wide enough differential is another very good way of staffing those wards.

Mr. RITCHIE: Well, let us say this is the only way that was open to us.

Mr. COWAN: Well, that is better.

Mr. RITCHIE: And it was a question of choice; do we open these wards and accept patients for care and not be able to look after them adequately? We decided we would rather restrict the number of patients and continue our standard.

Mr. WEBB: Well, doctor, I have spent quite a lot of time round about Sunnybrook, visiting and one thing and another, and I feel certain there are many patients who could be looked after by unqualified nurses. I feel that, be-

cause all they need is someone just to take care of them and assist them when they need to eat and so on. Many patients have been there a long time and they are not getting better. The treatment is not doing anything for them, either. They are not improving, I do not think.

I cannot for the life of me see why ordinary people could not be hired to look after these people and thus relieve the tense situation due to lack of nurses and professional people, who could then be used to the advantage of other patients.

Mr. RITCHIE: All I can do is reiterate what I have previously said, and that is we feel that we have cut down the professional nursing staff as low as we should go.

Mr. MACRAE: Just a supplementary, Mr. Chairman.

The CHAIRMAN: I think they are all supplementaries today.

Mr. MACRAE: We are trying to explore a situation which is not peculiar at all to the veterans hospitals. This is more of a statement perhaps, than a question, because we have been a long time on this subject this morning.

You find this situation in every hospital where there are older men and women. You have the hospitals in Winnipeg, where there is perhaps one professional nurse looking after one floor or even two floors at night. So it is not unique at all.

What Mr. Ritchie has been trying to say and to explain is that this is not a situation in any way unique to Sunnybrook. The situation exists all over the country because people are living longer. Doctors are prolonging their lives and we are getting more and more old people who are not now dying with pneumonia—the old man's friend—or all these other ailments.

Coming back to Mr. Webb's statement of bringing unqualified people into the hospitals, we have gone a tremendous distance in these last few years, in bringing in nursing aids, nursing assistants, and so on. And where, a few years ago, the student and professional nurse scrubbed bedpans and undertook other such tasks, people are now being hired to do these particular jobs. And I quite agree that you cannot go very much further, in your hospitals, in bringing in unqualified people.

Mr. WEBB: But we are still building new hospitals and we have 200 vacant beds in Toronto. Now, you tell me the sense of that.

Mr. MACRAE: Well, I do not think it is all that nonsensical when you look at all the facts.

Mr. MARTIN: Are we not squarely on the horns of a dilemma here? I agree that we cannot lower the quality of the care very much further, but is it an answer to provide no care at all? Is that better than providing poor care or care of the best degree we can?

I agree with Mr. MacRae that this is not confined to Sunnybrook Hospital or to the veterans hospitals. I think what we are faced with and what we must face up to, is what are we going to do about it?

Mr. COWAN: Improve working conditions.

The CHAIRMAN: Gentlemen, it being 11 o'clock and, having four more names on my list, I think we should carry on this discussion tomorrow morning.

Mr. CLANCY: Mr. Chairman, I just want to ask one question. When this becomes a Teaching Hospital will it become a Nurses' Training Hospital as well?

Mr. RITCHIE: Not necessarily, but it will likely.

The CHAIRMAN: I think we will get further with this Vote tomorrow morning. After this, we have two more administration votes. Then we will come back to Item 1. The subcommittee will meet some time today to have a report ready for the House and I hope we can terminate our study of the estimates tomorrow.

Thank you, gentlemen. The meeting is adjourned.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

FRIDAY, MAY 27, 1966
TUESDAY, MAY 31, 1966
TUESDAY, JUNE 14, 1966

Respecting the

Estimates (1966-67) of the Department of Veterans Affairs

INCLUDING THIRD AND FOURTH REPORT TO THE HOUSE

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister, Mr. F. T. Mace, Assistant Deputy Minister, Dr. K. S. Ritchie, Director, General Treatment Services, Mr. J. E. Walsh, Director of Finance, Purchasing and Stores, Mr. E. J. Rider, Director War Veterans Services, Mr. P. E. Reynolds, Chief Pension Advocate.
From the Royal Canadian Legion (Dominion Command): Mr. D. M. Thompson, Dominion Secretary.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Carter,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas (*Maison-
neuve-Rosemont*),
Mr. Tolmie,
Mr. Webb—(24).

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

REPORTS TO THE HOUSE

WEDNESDAY, June 1, 1966.

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Pursuant to its Order of Reference from the House dated May 3, 1966, your Committee has made a thorough examination of the Main Estimates (1966-67) of the Department of Veterans Affairs and has agreed to recommend same to the House for adoption.

Your Committee was most pleased with the high degree of efficiency and understanding which mark the administration of all branches of the Department of Veterans Affairs. The Committee commends the Minister, the Deputy Minister and the Officials of the Department for their co-operation and assistance and for the manner in which they supplied detailed answers to questions posed by members of the Committee.

Members of your Committee having had a very informative visit to Ste. Anne de Bellevue Hospital, hope to organize a similar visit to Sunnybrook Hospital, in Toronto at a later date.

Your Committee would greatly appreciate having the opportunity of examining the Wood's Report on the Work and Organization of the Canadian Pension Commission after the said Report has been tabled in the House, as well as being granted the authority to study the general problem of pension rates.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 5 to 9 inclusive) is appended.

Respectfully submitted,

GERALD LANIEL,
Chairman.

WEDNESDAY, June 15, 1966.

The Standing Committee on Veterans' Affairs has the honour to present its

FOURTH REPORT

Pursuant to its Order of Reference from the House dated March 30, 1966, your Committee considered the Subject-Matter of the Hong Kong Veterans' Report 1964-65 and heard representations from Messrs. T. D. Anderson, Chairman, Dr. H. J. Richardson, Assistant to Chief Medical Adviser, and A. L. Morley, Secretary, all of the Canadian Pension Commission; and Messrs. A. H. Delbridge, National President, R. H. Lytle, National Secretary, R. Manchester,

President, B.C. Branch, S. Kravinchuk, President, Alberta-Saskatchewan Branch, W. S. Ashton, President, Manitoba Branch; J. R. Stroud, President, Toronto Branch, Lionel Hurd, President, Quebec Branch, Charles Brady, Vice-President, Quebec Branch, Colin Standish, Director, Quebec Branch, all from the Hong Kong Veterans Association of Canada; and Messrs. D. M. Thompson, Dominion Secretary, N. Harmer, Service Officer, Edward Slater, Service Officer, all of the Royal Canadian Legion, along with Mr. Lorne Manchester, Assistant Editor of the *Legionary*.

Your Committee was most pleased with the Report prepared for the Canadian Pension Commission on the Disabilities and Problems of the Hong Kong Veterans, and wishes to congratulate Dr. Richardson and his associates for this excellent study and their sympathetic approach toward this long lasting problem.

Your Committee was much concerned with the attention given to the minute aspects of the problem, and was very pleased to learn of the immediate action taken by the Canadian Pension Commission, as far as the implementation of the various recommendations in the Report. It also wishes to commend Dr. Richardson for the extreme efficiency and high degree of understanding he showed in answering the questions put to him by the members of the Committee.

Your Committee welcomes the findings of the Hong Kong Report and wishes to support the different recommendations made by Dr. Richardson.

Your Committee was also impressed by the presentation made by the delegation from the Hong Kong Veterans Association, well supported by a brief from the representatives of the Royal Canadian Legion, requesting benefits, going beyond the recommendations of Dr. Richardson's Report.

However, by reason of the difficulty in assessing accurately the disabilities of the Hong Kong veterans, but as recognition of some degree of uncertainty of the prognosis, your Committee recommends the following:

1. When the disability found on medical examination of a veteran, who was a prisoner of war in the Far East for two years or more during World War II and pensionable under the Pension Act, in accordance with the recommendations contained in Dr. Richardson's Hong Kong Report, is assessable in the range between 33 per cent to 47 per cent (inclusive) (i.e. in pension classes 14, 13 or 12), the rate should automatically be increased to class 11, effective from

(a) One January 1966, or

(b) The date prior to the veteran's death if his death occurred on or after 1 January 1964, but before 1 January 1966,

(c) And subject to the provisions of Section 31 of the Pension Act, provided that no further increase in the total rate of disability pension shall be made unless and until the actual disability found on medical examination is assessable at more than 52 per cent (class 11 rates), whereupon disability will be assessed in accordance with the usual procedure.

2. When the pensionable disability is medically assessed at 32 per cent or less, (class 15 or lower) the rate should be increased by a 10 per cent special assessment with effect from January 1966, provided that when the disability found on examination reaches the level of 33 per cent, the rate shall be increased to class 11, as in paragraph 1 (above).

This special assessment of 10 per cent shall not be used to qualify the veteran for the benefit set out in paragraph 1.

3. Although the Pension Commission has already made a number of awards under Section 25 of the Pension Act to surviving dependents of Hong Kong veterans whose death could not be found directly attributable to Service within the provisions of Section 13(1) or to whom a pension could not be awarded under the provisions of Section 36(3), but nevertheless considered to be especially meritorious, it is strongly felt that this practice be continued and even extended.

Considering that the Committee was informed of the reluctance of many veterans concerning compulsory medical examinations, it was felt that the Pension Commission should continue to encourage the Hong Kong veterans to take advantage of their privilege for annual voluntary medical examination.

Your Committee suggests that the Canadian Pension Commission make a revision of each Hong Kong veteran's file, without his personal application for such a review, taking into account the above recommendations, and that such a review be given the most sympathetic consideration, keeping in mind the concern and factors expressed in the Hong Kong Report. This should also apply to the files of all deceased Hong Kong veterans.

Your Committee also recommends that the Treatment Regulations be amended to authorize the supply of glasses to all Hong Kong veterans when prescribed by the Department.

A copy of the relevant Minutes of Proceedings and Evidence (issues 1 to 4 and No. 9) is appended.

Respectfully submitted,
GÉRALD LANIEL,
Chairman.

MINUTES OF PROCEEDINGS

FRIDAY, May 27, 1966.

(11)

The Standing Committee on Veterans Affairs met this day at 9:30 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Cowan, Fane, Groos, Habel, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, Madill, Martin (Timmins), Matheson, Ormiston, Rock, Thomas (Maisonnette-Rosemont), Webb (20).

In attendance: From the Department of Veterans Affairs: Messrs. Paul Pelletier, Deputy Minister, F. T. Mace, Assistant Deputy Minister, K. S. Ritchie, Director, General Treatment Services, E. J. Rider, Director, War Veterans Services, W. T. Cromb, Chairman, War Veterans Allowance Board, T. D. Anderson, Chairman, Canadian Pension Commission, G. S. Way, Chief of Information and Public Relations, C. C. Misener, Director, Admission Services, P. E. Reynolds, Director of Legal Services and Chief, Pensions Advocate, H. J. Richardson, Medical Adviser, CPC, Eric Stockley, Executive Assistant, CPC, C. F. Black, Departmental Secretary, J. E. Walsh, Director of Finance, Purchasing and Stores, Paul Cross, Deputy Chairman, War Veterans Allowance Board.

From the Royal Canadian Legion (Dominion Command): Messrs. D. M. Thompson, Dominion Secretary, Herbert H. Hanmer, Service Officer, Lorne Manchester, Assistant Editor, The Legionary, Edward Slater, Service Officer.

The Committee resumed the examination of the Estimates (1966-67) of the Department of Veterans Affairs.

Items 30, 5, 20 and (one) were severally examined and carried.

It was moved by Mr. Matheson, seconded by Mr. Fane,

*Agreed,—*That the Chairman report the Departmental Estimates (1966-67) to the House.

The Chairman thanked the Officials of the Department for the excellent manner in which they provided answers to the Committee.

The Clerk was asked to read the Report of the Subcommittee on Agenda and Procedure.

"Your Subcommittee prepared a Draft Report to the House in regard to the Departmental Estimates to be submitted to the Committee for approval.

It was agreed that the Chairman prepare a Draft Report to the House, on the Hong Kong Report 1964-65, taking into account the views expressed and submit the said Report to the Subcommittee at its next meeting."

Mr. Groos moved, seconded by Mr. Ormiston, *Agreed*, that the Fourth Report of the Subcommittee be adopted as read.

The Chairman introduced the Officials of the Royal Canadian Legion (Dominion Command) and Mr. D. M. Thompson, Dominion secretary, read their brief.

The Committee proceeded to the questioning of the witnesses.

The examination of the witnesses being concluded, the Chairman thanked Mr. Thompson and his Officials for their brief.

At 11:00 o'clock a.m., Mr. Fane moved, seconded by Mr. Groos, that the Committee adjourn to Tuesday, May 31, 1966.

TUESDAY, May 31, 1966.
(12)

The Standing Committee on Veterans Affairs met this day *in camera* at 1:30 o'clock p.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Fane, Habel, Harley, Kennedy, Laniel, Latulippe, Legault, Madill, MacRae, Martin (*Timmins*), Ormiston, Rock, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (18).

The Committee discussed a Draft Report to the House.

It was moved by Mr. Harley, seconded by Mr. Ormiston,

Agreed.—That the Chairman present the Committee's Third Report to the House, as amended.

The Chairman briefed the Committee on our trip to Europe. This was followed by a general discussion.

At 2:30 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

TUESDAY, June 14, 1966.
(13)

The Standing Committee on Veterans Affairs met this day, *IN CAMERA*, at 10:00 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Carter, Chatterton, Clancy, Émard, Fane, Heridge, Laniel, Latulippe, Legault, Madill, MacRae, Martin (*Timmins*), Matheson, Rock, Thomas (*Maisonneuve-Rosemont*), Webb (16).

The Chairman, on behalf of the Subcommittee on Agenda and Procedure, presented a Draft Report to the House.

The Committee proceeded to the consideration of the said report paragraph by paragraph.

The examination of the report being concluded, on motion of Mr. Martin (*Timmins*), seconded by Mr. MacRae, it was

Resolved,—That the report be adopted as amended and that the Chairman present it as the Committee's Fourth Report to the House.

Mr. Webb moved, seconded by Mr. Madill,

Agreed,—That a vote of thanks be extended to the Chairman and other members of the Subcommittee for their long hours in the preparation of the report.

On motion of Mr. Madill, seconded by Mr. Carter,

Resolved,—That the Committee print 1000 additional copies, in English, of its Minutes of Proceedings and Evidence, Issue No. 9, only, including the Committee's Fourth Report to the House.

The Committee was briefed by Mr. Gordon S. Way, Chief Information and Public Relations, Department of Veterans Affairs, on the Committee's trip to Europe.

At 12:30 o'clock p.m., on motion of Mr. Herridge, seconded by Mr. Legault, the Committee adjourned to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

• (9.30 a.m.)

FRIDAY, May 27, 1966.

The CHAIRMAN: Gentlemen, I now see a quorum and we will proceed with the study of Vote No. 30 at page 527: the details are on pages 538, 539 and 540, which is under the Treatment Services.

TREATMENT SERVICES

30. Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, \$48,874,000

I have on my list from the other day Mr. Herridge, Mr. Emard and Dr. Harley. Dr. Harley, are you ready to carry on with questioning?

Mr. COWAN: When he was here the other day Dr. Ritchie said he could ascertain the differential rates of pay for us; has he got them today?

Dr. K. S. RITCHIE (*Director General Treatment Services, Department of Veterans Affairs*): Mr. Chairman, I have this information for Mr. Cowan.

The evening shift rate is 8 cents per hour, and this extends from 7.00 p.m. until midnight. The night shift get 12 cents per hour from midnight until 6.00 a.m.

Mr. COWAN: Is this a 40-hour week?

Dr. RITCHIE: Yes, a 40-hour week; \$3.20 a week.

Mr. COWAN: It is not that; it is 8 cents an hour. From 7.00 p.m. he gets 40 cents, for God's sake. If he works an extra shift one night, he gets all of 40 cents.

Dr. RITCHIE: I am sorry, did I say 7.00 p.m.? It should be 6.00 p.m.

Mr. COWAN: Well from 6.00 p.m. he gets 48 cents. My God, all one night they get 48 cents? No wonder they do not want to work.

Dr. RITCHIE: I might say that I believe in the Toronto district that none of the civilian hospitals are paying a shift allowance at all. This is one of the criticisms we have in the agreement with the University of Toronto.

Mr. COWAN: Who wrote that report from the University of Toronto, can you tell me that? In other words, who made that criticism on behalf of the University of Toronto?

Dr. RITCHIE: No, this is part of the negotiations with the University of Toronto when we entered into the agreement.

Dr. HARLEY: I wanted to ask Dr. Ritchie about domiciliary care cases. We are all aware that a good percentage of the cases in Sunnybrook now are

domiciliary care. Have we any figures on what percentages, say, in Sunnybrook, and across Canada are domiciliary care, or could be treated as such in the chronic case hospitals?

Dr. RITCHIE: When you say domiciliary care in chronic hospitals we confuse the issue because I think we could define domiciliary care a little differently from what we would outside.

Dr. HARLEY: I will accept your definition of domiciliary case.

Dr. RITCHIE: In our hospitals we have three main types of patients, the active cases, the chronic care and the domiciliary care. We try to arrive at a definition for domiciliary care as those patients who can look after their daily habits themselves. That is, they must be able to get up and get dressed and go to the dining room.

When a patient requires a lot of nursing assistance, either in nursing, or auxiliary, or other physical aids in order to get dressed, be bathed and go to the dining room, then we get into a chronic care situation and in many of these instances the amount of nursing care is in excess of that which would be required by an active treatment patient.

So far as the proportion of patients is concerned, I would say that roughly at this time in the Toronto district they are divided equally, a third of domiciliary care, a third of chronic and a third active treatment patients.

Dr. HARLEY: Is this reflected across Canada?

Dr. RITCHIE: Pretty generally, yes.

The CHAIRMAN: Are there any other questions, gentlemen, on vote 30?

Mr. CHATTERTON: In the standing committee hearings in September or October, 1964, Dr. Crawford gave us some comparative figures on the cost per bed and the cost of operation between chronic care and domiciliary and acute care cases, to show that the cost of construction per bed and operation per bed is sometimes a third that of active treatment beds.

Has the department given consideration to construction of such domiciliary or chronic care institutions at our veterans' hospitals, or close to them?

Dr. RITCHIE: I must admit that we have given consideration to them but, as you know, the provision for domiciliary care is dependent upon the ability of the department to provide such facilities within the existing framework of hospital accommodation. It has not been our policy to expand facilities for domiciliary care at the present time.

Mr. CHATTERTON: Would it not effect a considerable saving and, as Dr. Crawford said at that time, better treatment for these people?

Dr. RITCHIE: Well I think in our long range hospital reconstruction program what we would hope to do is to replace those obsolescent beds with new chronic or active facilities and treatments to move the domiciliary care patients into the large ward accommodation which we now have in many of our institutions.

Rather than build special accommodation for domiciliary patients which could not be used for any other purpose, I think it would be far better and more economical for us to bring our active treatment facilities up to date and modernize them.

Mr. CHATTERTON: But is it not the case, at least in some of the hospitals—I know in Victoria it is the case—that there is a shortage of beds available.

Dr. RITCHIE: I think there probably is a shortage of domiciliary care beds in every community, because, regardless of how many beds we build, the community will demand more, unless there is a very active, ongoing program in the community itself to provide beds for civilians. We know, for instance, that even in the Ottawa district if we provided another 50 beds for domiciliary care patients these could be filled within a week or two and there would still be a waiting list of new people wanting to be admitted.

Mr. CHATTERTON: But you have indicated that about two thirds of the patients in our hospitals today are either chronic or domiciliary care patients.

Dr. RITCHIE: This is true.

Mr. CHATTERTON: Well, then, would it not seem obvious that there could be a very considerable saving in providing special facilities for these people rather than using the acute treatment hospitals?

Dr. RITCHIE: If the hospital facilities that we were using were modern in every way and were good active cases facilities I would say yes, it would be more economical to build straight domiciliary care beds, but we have a lot of obsolescent facilities which should be replaced and which can readily be used; because of their limited nursing care and treatment facilities, they can be used for domiciliary care patients quite adequately.

Mr. GROOS: Speaking of the veterans hospital in Victoria, I understand that there is a fair waiting list of people who require domiciliary care. I suppose you are keeping track of the provincial medicare hospitalization program to see how that can help alleviate the situation because, as I understand it, as long as there is space available in the veterans' hospital in Victoria, veterans who have not actually 100 per cent entitlement can get in rather than see them have nowhere to go to be looked after. If the province is going to step in and help take up some of this slack this will relieve the situation somewhat.

Dr. RITCHIE: This is the problem which we do not know just how to approach at this time. We have to anticipate what the individual province's reactions are going to be. In the provinces where medicare has been implemented, even at the present time, our war veterans allowance recipients are not covered, so that if a federal medical care program does become effective and these people are covered we could visualize many of these veterans might seek hospitalization within their own community rather than go to the D.V.A. centre. Veterans being what they are, we cannot forecast what their desire will be; they may want to go to a veteran's institution, particularly if they have no next of kin immediately available.

Mr. HERRIDGE: I have a supplementary question, Mr. Chairman.

Would the doctor mind explaining what he means by the term "veterans being what they are"?

Dr. RITCHIE: "Veterans being what they are": I think veterans are a group who have many common interests, who have lived together a great deal—they have a lot in common—and many of them have no next of kin now; they have

outlived their families or their families have moved away from them and therefore they do like to get together and exchange tales of their activities and so forth. They have a camaraderie which I think is unique.

Mr. HERRIDGE: That is a very satisfactory explanation, Mr. Chairman.

Mr. CLANCY: Mr. Chairman, I have listened to some of my colleagues and I would like to have a definition of the three types of care, because they are all different, so that we all know what the member from some place in Toronto is talking about.

Dr. RITCHIE: Well I think it is pretty difficult to define what is an active treatment case, and when this active treatment becomes chronic, and when it becomes domiciliary. All I can do is give you our interpretation of this and some of the factors that govern it.

We are all aware of what goes on in civilian hospitals which are there for the care of active treatment patients, and we have the same situation in our own hospitals where a patient comes in for acute care. Once this period of acute care is over, then the patient is either discharged home or he becomes chronic. In other words, further treatment is not going to be of any material benefit. But until that patient can be transferred to a chronic care facility he has to occupy an active treatment bed, and this is one of the main difficulties I think in our hospitals at the present time, not only departmental but all of our hospitals; they are faced with this problem too. There are not adequate chronic care facilities available to receive these patients who no longer require acute care.

Now the chronic care patient, as I indicated, is the one for whom further treatment is not likely to materially change his condition. He is going to become a chronic invalid and he will either progress to become a domiciliary care patient or he will be deceased; that is all. So his course is downwards.

Now if a chronic care patient, through rehabilitation, through physiotherapy and occupational therapy can be given enough support that he can look after his own every day habits, well then he can become a domiciliary care patient and be provided with accommodation with very, very limited nursing care or treatment facilities. He needs a place to live.

Mr. CLANCY: Well, that is the answer. Domiciliary care is to get the man rehabilitated far enough so that he can dress himself, he can go to the dining room, he can look after himself; he does not need constant bed care?

Dr. RITCHIE: That is correct, yes.

Mr. HERRIDGE: Mr. Chairman, could we now hear from Mr. Pelletier.

Mr. Chairman, would Mr. Pelletier mind explaining to the committee the policy of the department with respect to purchasing supplies for our hospitals and for other services rendered other than by the staff.

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, with regard to purchases of service and purchases of any kind, I am sure you are all aware of the fact that from the 1st of April this year our purchasing services have been transferred to the Department of Defence Production under this centralized scheme of purchasing for all government departments. We were one of the first departments to do this and it has involved

the transfer of some 60 people from our department to the Department of Defence Production so that, with some exceptions, by and large the whole area of purchasing has now been transferred to that department.

Mr. HERRIDGE: Is that on a tender basis?

Mr. PELLETIER: Oh yes; we always operate on a tender basis.

Mr. HERRIDGE: There is a note here about hospital insurance premiums or payments in lieu thereof re war veterans allowance recipients; would you mind explaining just how that works?

Mr. PELLETIER: Well, perhaps, Mr. Chairman, really to follow up what Dr. Ritchie has just said in reply to another question, this whole area of hospitalization for the three varieties of patients that we have, the question of medicare plans on the provincial front and on the federal front, the question of nursing homes for the general public, et cetera, this whole field of health and social welfare, is so complex and developing so fast that it is exceedingly difficult for us to make intelligent plans that will hold for more than a very limited time. I think we should all bear in mind, it seems to me, Mr. Chairman, that the veterans charter has—I am sure you are all aware of this—developed far beyond the original concept. It started out with the federal government assuming and honouring, as it still does, full responsibility for those people who have been injured as a direct result of their war service. This has been pushed further, through the years, to cover those veterans who, although not wounded, have come upon difficult economic times, and this is the whole war veterans allowance group.

Now, we have this third category, I suppose, domiciliary care patients. As I am sure all members of this Committee know, by far the majority of these people are war veterans allowance recipients. Now this gets into very very close contact with the kind of social legislation which is being developed on the provincial and federal fronts, and it is a very good question, how should we operate in the best interests of the veterans? It seems to us, as a general principle, that in view of all these developments it would be better to tend towards having the domiciliary care patients cared for in their own communities rather than have them concentrated in hospitals which have the effect, first of all, of removing these people from their families and friends and, secondly, from debilitating the excellence of standards, professional standards, in active or even chronic treatment hospitals. Now, this is a very diffuse and indirect answer to your question, Mr. Herridge, but it is in this kind of context that we are operating.

Now, with regard to insurance premiums, what we would like to do, if at all possible, is to arrive at an understanding with the provinces, and federal-provincial agreements, is there are any in this area, whereby we would pay premiums on a medicare basis for war veterans allowance recipients in much the same manner as we do for hospitalization at the present time.

Mr. HERRIDGE: I have a supplemental to my first question. Have you an agreement with the province of British Columbia in that respect under its health insurance plan?

Mr. RITCHIE: No, we have no agreement with them at the present time.

Now in reference to the hospital insurance premiums, I would add that in Ontario, Manitoba and Saskatchewan there is a premium for hospital insurance to the general public. In these three provinces we pay the premium for the war veterans allowance recipients; in all other provinces there is no premium and the war veterans allowance recipients are automatically covered.

Dr. HARLEY: I would like to ask Dr. Ritchie a question on the various classifications. I want to refer here to active treatment taken, and I am thinking of patients, say, that fall in the category of medical patients versus surgical patients. In civilian hospitals, there is a tremendous waiting list for a person who, say, is going to have his gall bladder removed, which is not an emergency. He waits somewhere between six and eight weeks, I think, in the Toronto area—that is the least it might be. Is there any waiting list, say, in the department for patients who are coming in for medical or surgical reasons, which are not of an emergency nature?

Dr. RITCHIE: I would say that in most of our institutions there is a very limited waiting list for medical and surgical patients requiring active care. There is a backlog periodically in some institutions when they cannot cope with them all when they would like to. But this is one of the real advantages I think the veterans have in so far as treatment is concerned.

Dr. HARLEY: Now as I remember, there is—and I have forgotten which section it is under—a certain type of patient who is admitted, or can be admitted, to a veterans hospital who actually is a veteran but he has no entitlement.

Dr. RITCHIE: Section 23 is one.

Dr. HARLEY: Well there are probably several sections. I am curious to know, and I assume that under this circumstance his medical bill will be covered, his hospital bill will undoubtedly be covered by the Ontario Hospital Services Commission. What about the doctor's bill, service?

Dr. RITCHIE: Under the terms of reference for Section 23, Care, the veteran must assume responsibility personally for any medical or surgical fees which may be incurred.

Dr. HARLEY: But not under Section 13?

Dr. RITCHIE: Under Section 13 he may be required to pay a portion of his medical care, depending upon his assets.

• (10.02 a.m.)

Dr. HARLEY: How many doctors on the staff of the hospital would be eligible for such payment; in other words how many are full time and how many are consultants who actually have a private practice outside of the hospital?

Dr. RITCHIE: Well, I think you understand that most of our hospitals are staffed primarily by part time consultants who are practising in the community, with a very limited number of full time people.

All part time people are entitled to treat patients under Section 23 and to bill the patient directly for such care. The full time doctors are not entitled to bill the patient. Now, would you like the numbers for the Ontario hospitals?

Dr. HARLEY: No. In the case where a patient comes in under one of the sections and is treated by one of the doctors who is on the permanent staff of D.V.A., does D.V.A. recover any money for his care from that patient?

Dr. RITCHIE: The department does not recover any money for the care of his patients. It is assumed that if—I think this applies possibly in the Toronto district—he is looked after by a member of the full time staff he is not billed for this care.

Dr. HARLEY: Thank you.

Mr. CHATTERTON: I want to pursue the point with the deputy minister that was raised with regard to the chronic and domiciliary care institutions. Now under the federal Hospital Insurance and Diagnostic Services Act, the federal government will pay half the operational costs of these institutions—chronic and domiciliary care. These may not use exactly the same terms but in effect this is what they are saying, provided the province pays its share. Until recently British Columbia was the only province that did not contribute; now they do. Keeping that in mind if the Department of Veterans Affairs had such institutions they would recover half the operational costs from the provinces. The second point is that according to the Hall Commission on medicare, as indicated by Dr. Harley, there is an acute shortage of active treatment beds in most parts of Canada. Thirdly, in most parts of Canada there is a shortage of institutions to take care of domiciliary and chronic care patients; and, fourthly, the fact is that these institutions cost so much less than active treatment institutions. Would it not be logical, then for the Department of Veterans Affairs, which has the responsibility for veterans, to provide such institutions? Would it not be economical and also meet the requirements of these veterans—there is a shortage of these institutions—to go into establishing such institutions and recover part of the cost from the provinces?

Mr. PELLETIER: Well, Mr. Chairman, one of the phrases that Mr. Chatterton used was to the effect that the department which has the responsibility for veterans—here again I would like to repeat that the only legal responsibility we have is with regard to disability pensioners; that is the only legal responsibility.

Now, the other responsibilities we have, have been assumed. I suppose it can be said that we have a moral responsibility for the war veterans allowance recipients. Now, it is a question of how best we can act—quite apart from the fact we are very conscious that we should do everything we can—and I think we have done everything we can—in the best interests of veterans; with a small “v”, all veterans, in so far as we can.

Now the question of chronic care is one thing; the question of domiciliary care is another. I do not think we recover, with regard to domiciliary care institutions.

Could I ask Mr. Walsh to elaborate on that point?

Mr. J. E. WALSH (*Department of Veterans Affairs*): Gentlemen and Mr. Chairman, most provinces now pay for chronic care. The definition of chronic care does differ from province to province as Dr. Ritchie indicated, there is a general definition but there are differences in interpretation. British Columbia, as Mr. Chatterton says, has commenced paying for chronic care effective, I believe, January 1.

We have a considerable body of patients who have been qualified for this privilege and we have started to make recoveries on the B.C.H.I.S.—British Columbia Hospital Insurance Service—in respect of that body of patients. Similarly, we recover for chronic care patients in Alberta, Ontario, Quebec and in New Brunswick. Chronic care is not an insured service in Nova Scotia as yet and there is some question on the position in Manitoba at the moment. No province, to the best of my knowledge, acknowledges domiciliary care as an insured service. However, the definition given to chronic care might in some provinces include patients that in another province would be regarded as domiciliary care.

Mr. CHATTERTON: Their definitions differ but in general terms the federal Hospital Insurance and Diagnostic Services Act provides for outpatients, too, and is recompensed by the government.

Mr. WALSH: I am not competent to give an opinion on the federal Hospital Insurance and Diagnostic Services Act, but to the best of my knowledge it does not, sir; it specifically excludes domiciliary care so far as I am aware.

Mr. CHATTERTON: I do not think that destroys my arguments, because in the federal act many of the patients that are not classified as active treatment patients are covered, and in most of the provinces some such coverage is granted, I think in all of the provinces some coverage is granted outside of active treatment cases.

Mr. WALSH: Well, as I previously stated, with the exception of Nova Scotia, which does not have a chronic care program at the moment—

Mr. CHATTERTON: Well, not chronic care as defined here but care other than active treatment cases—insurance for other than active treatment cases. All provinces have that now, I believe; I got this information just recently from the department.

Mr. WALSH: Well, our experience has been that Nova Scotia has not accepted the financial responsibility for insured care given to chronic patients. They do have elaborate outpatient services but they do not, to the best of my knowledge, have chronic care.

Mr. ORMISTON: Dr. Ritchie, you mentioned a few moments ago that possibly your experience with provincial medicare plans was limited because they had not been in effect for very long. Now the one in Saskatchewan, I think, is in its third year and I am just wondering if your experience with that province has given you enough information to form some sort of a blueprint which you could use in dealing with other provinces and do you anticipate a general approach in regard to hospital plans individually in so far as each province is concerned?

Dr. RITCHIE: Well, Mr. Ormiston, we have not approached the provinces individually up to this time because this would create a different approach for different groups of veterans in different areas. The preliminary discussions in reference to the federal plan would lead us to believe that it would be preferable to wait until this plan became effective and then we would have a uniform plan for all veterans.

Mr. ORMISTON: So there has not been much change in the approach, say in the province of Saskatchewan, even though they have had medicare plan there for two years?

Dr. RITCHIE: No, we have not approached them.

Mr. MARTIN (*Timmins*): Mr. Chairman, I would like to have a little more explanation of a point that was touched on by Dr. Ritchie a little while ago.

This is with regard to the coverage of war veterans allowance recipients, and more particularly the ones with dependants. I know from experience with individual cases that while the veteran himself was completely covered under the war veterans allowance, he had to insure himself along with his dependent under whatever medical plan was available to him. In other words, he was paying a premium to some private carrier while he was being covered by the war veterans allowance. Is there any movement made to cut out this double coverage? He has to pay out of a limited income for coverage that he does not need and does not use.

Dr. RITCHIE: I am not aware that this condition actually exists, because all war veterans allowance recipients are covered either by us assuming the responsibility of a payment of something in lieu of the premium, or else he is covered by the province. Now, it is the veteran's own responsibility, however, to insure his dependants.

Mr. MARTIN (*Timmins*): Well this is the very point the particular plan that I am referring to is a mine plan that covers all the mines in the Timmins region, for example, and in order to get coverage for his wife he has to buy it for himself as well, even though he is covered by the war veterans allowance for his own medical expenses.

Dr. RITCHIE: Well, I would assume that this is a private insurance plan, and if he wants to participate in this plan, then he has to buy this sort of a policy. This would apply to any private plan that had this sort of an arrangement.

Mr. CLANCY: Mr. Chairman, I am speaking specifically about Saskatchewan right now. You say any recipient of the war veterans allowance is insured under the Saskatchewan hospital medical plan; in other words you pay the premium?

Dr. RITCHIE: Not under the medical plan at all, no. This is only for hospital services.

Mr. CLANCY: Well, I do not know how you can break it down, because I have to pay the same damned premium for everything.

If I were receiving war veterans allowance you automatically pay my Saskatchewan hospitalization; for active treatment I go in as an ordinary civilian and you pay that, which covers the whole family?

Dr. RITCHIE: No, it covers you.

Mr. CLANCY: How can you do it, because the province will let me cover myself and leave the family out. What I am getting at is simply this, that a part of the war veterans allowance is his payment—\$84 a year—which covers him under the provincial plan?

Dr. RITCHIE: It covers the veteran himself.

Mr. CLANCY: How can you make him a single man?

Dr. RITCHIE: But we have no responsibility to cover his dependants.

Mr. CLANCY: I am not arguing about responsibility, I am just saying that if you do pay the Saskatchewan government, you assume that responsibility as part of his war veterans allowance, therefore he is entitled to all civilian treatment just as much as anybody else is. We do it in the municipalities; we have somebody on family welfare, we pay it; we do not want to get stuck with the damned bill.

Mr. RIDER: I agree that if a person is in receipt of provincial social assistance normally the province provides, along with social assistance, free coverage—

Mr. CLANCY: They do not; the municipality pays.

Mr. RIDER: Well, the municipalities do that, they pay the coverage for hospital and medical. For the war veterans allowance recipient in all provinces we pay either a premium for him alone or we pay him \$2 a month in lieu of paying his premium. In the provinces where there are not premiums paid it is collected in the form of a sales tax, and this is a remuneration to the veteran in lieu of paying the premium. This covers the veteran only, and I do not know of any province where the province will not cover the wife or the wife and children separately from the veteran, on the hospital plan. We do not make any payments on medical plans as yet.

Mr. CLANCY: Well, I have a supplementary question, Mr. Chairman. How can you differentiate between a hospital or a medicare plan because it is all grouped together?

Mr. RIDER: Well, even in Saskatchewan, you will remember, you had the hospital plan before you had the medicare plan.

Mr. CLANCY: I know, and I pay into both of them right now.

• (10.15 a.m.)

Mr. RIDER: The law in Saskatchewan says that all people shall pay for both, but since war veterans allowance recipients are specifically excluded from this payment they agree that we shall pay the veteran's share and he shall cover his family.

Mr. CLANCY: Well, would it not be much simpler under the war veterans allowance to say "Look, it is \$84 a year, pay the whole thing" and then you have shrugged off a bit of responsibility—leave it up to the civil authorities.

Mr. RIDER: This, Mr. Clancy, I think is a matter of government policy. Dependents of veterans have never been covered for hospital or medical care by D.V.A. The department has always been held responsible for the veteran himself but not for his family, and as long as that is the policy all we can do is cover the veteran but not his family.

Mr. ROCK: I think it would be better if they followed the example of the province of Quebec; there is no premium to pay for hospitalization. There is no problem.

Mr. RIDER: Premiums are paid in Ontario, Manitoba and Saskatchewan.

The CHAIRMAN: Are there any more questions on Vote No. 30?

Shall Vote No. 30 carry?

Item agreed to.

Gentlemen, we will quickly proceed to the study of Vote No. 5 and Vote No. 20. Both of these votes are administrative votes; and the details of the votes are at pages 531 and 532:

5. Administration, including the expenses of The War Veterans Allowance Board, and grants as detailed in the Estimates, \$4,270,500.

The administration of welfare services, allowances and other benefits; are there any questions on this?

Shall Vote No. 5 carry?

Item agreed to.

We now move to Vote No. 20 the details of which are on pages 536 and 537. This is the administration vote on pensions.

20. Administration, \$2,787,300.

Mr. CHATTERTON: Are all the pension advocates across Canada classified in the same position?

Mr. P. E. REYNOLDS (*Director, Legal Services, Department of Veterans Affairs*): Pension advocates are classified from grade 3 to grade 7 right across the country. They are all solicitors except the advocate in Victoria who is classified as a Technical Officer, Grade 8, I think it is.

Mr. CHATTERTON: What is the difference in pay between a technical officer and, for instance, the grade 3?

Mr. REYNOLDS: There was a recent increase for the technical officers. The last increase was to solicitors. He was paid pretty well, the same as a solicitor, grade 4.

Mr. CHATTERTON: And they do the same work; is it because he is not a lawyer that he is not classified?

Mr. REYNOLDS: Yes. He is not a lawyer and that is why he is classified as a technical officer.

Mr. CHATTERTON: But the pay is about the same?

Mr. REYNOLDS: Approximately the same as a solicitor 4.

The CHAIRMAN: Shall Vote No. 20 carry?

Item agreed to.

We will now complete Vote No. 1, Mr. Groos?

Mr. GROOS: I have one question, if I may, Mr. Chairman.

Is it correct that the widow of a veteran who has not taken up his D.V.A. option in applying under the Veterans Land Act, is not entitled to apply on behalf of her deceased husband for assistance?

Mr. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): The assumption is, Mr. Groos, that the veteran in his lifetime has probably taken his re-establishment credits or, possibly, university training, and therefore he is not entitled to settlement under V.L.A.; the widow would not have the right of re-paying the re-establishment credit and settling under V.L.A.—

Mr. GROOS: I heard of a very unfortunate case only yesterday and this is why I brought this matter up. I was not sure of it. This is the case of a veteran who remained in the service and he married and, while he was still in the service he died. He has not been dead long, and his widow is having a pretty hard time and is trying to find some means of establishing a home and I gather is being told that there is no option; that she cannot apply for the same benefits as her husband would have been able to receive had he been alive.

Mr. MACE: This is correct; she cannot apply.

Mr. PELLETIER: Mr. Chairman, I think that is correct. However, it must not be forgotten that the Veterans Land Act essentially is a rehabilitation measure for the veteran, but as you know, Mr. Groos, though he has not completed his contract when he dies, it is carried on by the widow or the son. The kind of proposition you have advanced—it is not a proposition it is an actual case, I understand—is the case of the widow of a deceased veteran who is hard up. I am afraid the Veterans Land Act legislation does not cover that.

Mr. GROOS: The difficulty is that the veterans who remained in the service did not have a chance to exercise this option. This seems an unfortunate aspect of the legislation. I am sure it was not considered at the time.

Mr. CHATTERTON: I would like to mention to the Committee that under the Veterans Land Act any establishment, whether it is a full time farm, or small holding, or part II, any one of them, if the veteran dies the heir carries on with the agreement in exactly the same manner.

Mr. Groos has raised a point that I would like to pursue with regard to the deadline for the Veterans Land Act. The deadline for qualification is the 31st of October, 1968. The deadline for new loans is the 31st of March, 1974, and I appreciate that there has to be a deadline somewhere along the line. I will not repeat what I suggested, namely that the deadline for qualification be extended. There is a class of veterans, namely those that remained in the armed forces. Now, they are eligible under Part II of the Veterans Land Act at any time, but they are eligible for Part I and Part III—that is small holdings or full time farmers—only if they are on their last posting. So, it does mean that a large number of veterans who remained in the armed forces will become disqualified; they will not be able to use their entitlement under the Veterans Land Act because of this deadline. It seems to me that the department should consider a special dispensation, a special extension of the time limit, for those people who were not able, by virtue of the fact that they remained in the armed forces, to use their entitlement under the Veterans Land Act. I think it would be wise for the department to consider this now, because when the deadline comes you will be beset from all sides by these people who then find out that they will not be eligible, but as of today a member of the armed forces cannot use Parts I and III of the small holdings or full time farm or commercial fishing provision, unless he is on his last posting.

Mr. GROOS: Mr. Chairman, I have a supplementary to that. This is very important; there still are a fair number of young servicemen—veterans—who were in the permanent force at the end of the war and are faced with this problem Mr. Chatterton has brought up. I would certainly support everything he has said; I was about to go on with that when this matter came up.

Mr. CHATTERTON: I would like to make a further comment, Mr. Chairman. If the department cannot see its way clear to extend the deadline for these people there is another solution, too, and that is to allow them to use their entitlement under Parts I and III of the act even though they are in the armed forces. Mind you, the ruling is that they can only use Parts I and III if they are on their last posting. This is because the agreement for sale between the director of the Veterans Land Act and the veteran requires the veteran to occupy the property for the first ten years and there is no assurance that a member of the armed forces will be stationed in that locality for ten years.

There are concessions made already. A veteran, for instance, can be allowed to be absent for two years; for certain other conditions he can be allowed to be absent for a longer period of time and the ten-year deadline is extended. So you can do it fairly simply by an amendment to the act; allow those people who are now in the armed forces to use their entitlement and then make exception to the requirement of their occupying the property, but if you do not do one of these two a large number of these people will not be able to use their entitlement under the Veterans Land Act.

Mr. PELLETIER: Mr. Chairman, in reply to these three questions or observations, first of all, two things were raised; the three deadlines, 1958, 1974 and 1977, and the ten-year occupancy of the property. These are two vastly different things.

On the deadlines, of course, this is a matter for the gentlemen in this room and their colleagues to do something about it, because it is written right into the act. I think we should not lose sight of the fact that there is some difference between the veteran who served in world war I and world war II, many of whom—and most of the people in this room fall in that category, I suppose—were wartime soldiers, they were not permanent career men. I think there is a distinction to be established between the veteran soldier in the wartime—the war years—and the regular force member who embarked in the army, the navy, or the air force as a career. In the latter case it seems to me that the provisions of the Veterans Land Act do not apply with the same force as they do to the career veteran because it is primarily a rehabilitation measure to the part time soldier who went in the army, navy or air force during the war.

• (10.30 a.m.)

Mr. GROOS: I would not accept that. My argument here is that I think it is an unnecessary distinction. A great number of these people joined up as volunteers and decided to remain on afterwards.

I would point out that there is one other aspect of this Veterans' Land Act that hits, probably, the permanent force people more. A great number of the permanent force people did serve for longer periods than those who volunteered during the war and, as a result, their re-establishment credits were considerably higher. So they are already paying back, and, when they pay back their re-establishment credits, they will have considerably more to qualify for assistance under the Veterans Land Act. I do not think you can distinguish between volunteers and those who volunteered for permanent force duty—I think it would be bad to start doing that now.

The CHAIRMAN: Gentlemen, I have Mr. Clancy also, and it is now 10.30. We promised the people from the Legion that we would not keep them for more than half an hour.

Mr. CLANCY: Mr. Chairman, my question is a general one. We will take the case of a man who joined up in 1939, he served during the war and you left for six months. He went back into the permanent service and had his re-establishment credits. Now, we all know he had his choice of what he took for re-establishments. Did that so-called permanent force—soldier, officer, sailor or airman, have to repay his re-establishments credits or did he get them. Now, he had it once; he cannot ask for it twice.

Mr. CHATTERTON: Mr. Chairman, he has to repay that re-establishment credit in order to—

Mr. CLANCY: That is what I am asking.

Mr. RIDER: Mr. Chairman, the serving member, of course, would not have to repay his re-establishment credits, Mr. Chatterton, unless he wished to take advantage under the Veterans' Land Act. The veteran had a choice of whether he wanted to take V.L.A. or re-establishment credit, and members who served in the regular forces, of course, could use their re-establishment credits as they wished; many of them did.

Mr. CHATTERTON: Mr. Chairman, those not in the armed forces had the option of paying back their credits in order to use the V.L.A., but the fellow in the armed forces does not have that.

Mr. CLANCY: On a supplementary, Mr. Chairman, if the man stayed in the service and he got his re-establishment credits which is laid down by law—so many months overseas and so on—and he received this money and he stayed in the service and he spent the money; did he pay it back or did he spend it?

Mr. RIDER: Mr. Chairman, he did not get the money as re-establishment credits. Certain bills could be paid; there were certain purposes for which credit could be used. But there was no point in paying back the value of what he had; this remained his unless he came to his last posting and wished to settle under V.L.A.; then he would be required to pay the credit back. Otherwise, it was his; he had it, he bought furniture, that was all there was to it.

Mr. CLANCY: That is what I am trying to get at. In other words, if I want two slices of cake I have to pay for the first one.

The CHAIRMAN: Gentlemen, it is for you to decide whether you want us to carry on at our next meeting with Item No. 1.

Mr. HERRIDGE: I have one question, Mr. Chairman.

The CHAIRMAN: I want to be fair to the representatives of the Legion.

Mr. HERRIDGE: Yes; but they are a most patient group—

The CHAIRMAN: The bell will ring at eleven; we cannot extend beyond five minutes—

Mr. HERRIDGE: Is it the practice of the department to employ members of the Corps of Commissioners in all buildings where they are required?

Mr. PELLETIER: Mr. Chairman, the employment of the Corps of Commissioners does not come under the jurisdiction of our department.

Mr. HERRIDGE: Would it be the Department of Public Works.

Mr. PELLETIER: I think it is contractual with the Royal Canadian Mounted Police, but I am not sure. It does not come under our jurisdiction.

The CHAIRMAN: Shall vote No. 1 carry?

Some hon. MEMBERS: Carried.

Item agreed to.

The CHAIRMAN: This completes the estimates of the Department of Veterans Affairs. Can I have a motion to report to the House.

Thank you very much, Mr. Deputy Minister, and I thank all the officers of your department for the co-operation you have given the Committee, and also for the manner in which you have replied to the questions. Thank you, gentlemen, for the nice work you have done on the study of these estimates.

Now, we shall call upon the representatives from the Legion who will present a brief to us on the Hong Kong Report.

We have with us this morning, Mr. Don Thompson, the Dominion Secretary of the Royal Canadian Legion; Mr. Hanmer, Service Officer; Mr. Lorne Manchester, the Associate Editor of the Legionary and Mr. Edward Slater, Service Officer.

Gentlemen, taking into account the fact that the Legion will want to have a picture taken, would you spread out on both sides because they want that picture of the Committee at work.

(At this point pictures were taken)

Gentlemen, while we get organized and while the people from the department leave the room, I would like to present to you the fourth report of your subcommittee which is just a procedural matter. I would ask the clerk to read it; it is only two paragraphs. The clerk will now read the fourth report of your subcommittee.

(See Minutes of Proceedings)

The CHAIRMAN: May I have a motion to adopt the report?

Mr. GROOS: I so move.

Mr. ORMISTON: I second the motion.

Motion agreed to.

The CHAIRMAN: Now I will invite Mr. Don Thompson, Dominion Secretary of the Canadian Legion to present the brief of the Legion about the Hong Kong veterans and concerning the resolution that was adopted at the last convention in Montreal.

Mr. D. M. THOMPSON (*Dominion Secretary, The Royal Canadian Legion*): Thank you, Mr. Chairman and members of the Committee. I would also like to thank the Chairman and you members for permitting us to get a photograph of your Committee for our Magazine "The Legionary". We like to keep our members informed of the activities of your Committee because of all the committees of the House this naturally is the one that is of the most interest to members of our organization.

The brief that we are presenting this morning, gentlemen, as you probably have noted, is quite short. I realize that some of those that have been presented

from time to time were more lengthy and went into more detail. This is not an attempt to deal with the whole Hong Kong veterans situation, but rather to deal with the points raised in the resolution passed at our Dominion Convention a month ago in Montreal.

To the Standing Committee on Veterans' Affairs, House of Commons, the Royal Canadian Legion's 21st Dominion Convention 1966, Resolution concerning pension status of Hong Kong Veterans. Mr. Chairman and members, the Royal Canadian Legion is pleased to have this opportunity to appear before you to express its views regarding the pension position of Hong Kong veterans. Our letter to the Chairman of this Committee, Mr. Gerald Laniel, M. P., dated May 17, provided a copy of a resolution which was approved by our convention in Montreal last month. It reads as follows:

WHEREAS the Pension Act defines disability as the loss or lessening of the power to will and to do any normal mental or physical act; and

WHEREAS 20 years after the liberation of the Hong Kong prisoners of war from 42 months' captivity there is conclusive evidence of the nature and course of some of their disabilities, for example, optic atrophy, neurological disorders, et cetera; and

WHEREAS there is also impressive evidence, though perhaps not wholly conclusive, of widespread gastrointestinal, neuromuscular, cardiovascular and nervous symptoms and fatigue; and

WHEREAS the report of the medical adviser of the Pension Commission recently published states that a fairly large proportion of these former prisoners receive disability pensions not commensurate with the evidence of disability and the present understanding of it:

THEREFORE BE IT RESOLVED THAT—

- (1) an award of a minimum of 50 per cent for the residual effects of their imprisonment be paid to every ex-Japanese prisoner of war of World War II,
- (2) where ex-Japanese prisoners of war have died since release from captivity and their widows have not been granted pension, steps be taken to make awards on the basis that death was service-related,
- (3) arrangements be made for yearly pension medical examination for all ex-Japanese prisoners of war.

Before proceeding to outline the views of the Royal Canadian Legion which led to the passing of the resolution in question, we would like to pay tribute to Dr. H. J. Richardson of the Canadian Pension Commission, for the work which he has undertaken in an effort to throw more light on the disabilities and problems of those veterans who were prisoners of war in Japanese hands during the 1939-45 war.

We believe that because of the inadequate medical knowledge of the after effects of this type of imprisonment the majority of ex-prisoners have been short-changed in the pensions that have been paid to them since their service. The Pension Commission, acting in good faith on the facts available in the years since the war, has been inclined in approaching the problems of this group, to use the same yardstick as was used in dealing with claims from veterans suffering from well-defined conditions arising from normal service in Canada or

elsewhere. The result has been that many ex-prisoners of Japan have been assessed substantially lower than should have been the case.

We do not suggest that the commission was in any way delinquent in its treatment of these individuals, but rather, was unduly cautious in following a routine procedure, with the result that many of the pensioners concerned received far less pension in the last twenty years than would have been the case had the Commission's knowledge been more complete and exact.

The fact that the majority of Hong Kong veterans are to have their assessments increased as a result of Dr. Richardson's study is, we believe, a clear indication that they have "lost out" as a result of the lack of adequate knowledge as to their situation. We believe that the minimum pension of 50 per cent for every ex-Japanese prisoner of war of World War II, which we recommend in our resolution, is entirely reasonable.

Surely gentlemen, we must, as a nation, consider the conditions surrounding the dispatch of Canadian volunteers to Hong Kong in 1941. We must remember the fight they put up before they surrendered, the almost unheard of suffering they endured during imprisonment, and the problems that they have encountered in endeavouring to secure benefits that they consider fair and reasonable in the light of the Canada of today. We must also consider the impact that a floor of 50 per cent would have on the morale of those remaining ex-Japanese prisoners, in that their widows would be protected.

We are also concerned with the problems of the future. Dr. Richardson's report shows that the studies undertaken were far from complete and that the future may very well show additional medical disabilities, and social and psychiatric disabilities arising from the experiences of these men. For example, on page 36 of his report Dr. Richardson says, in discussing peptic ulcer, "These are relatively high rates but it is possible that the true rate is considerably higher, for many pensioners have not kept in close touch with the department, or for that matter with any physician. It was not possible to estimate the prevalence of symptomatic peptic ulcer at any point in time."

Then again on page 51, dealing with mortality experience, Dr. Richardson states, "In other words, the excess number of deaths might well have occurred by chance alone, and no conclusion could be drawn. It was then recommended that the study be repeated in 5 or 10 years when there might be sufficient data to indicate a trend."

The Hong Kong veteran will, if the 50 per cent floor is guaranteed, at least have some measure of assurance against developments which are not presently apparent to medical science, because of the limited research in this particular field. The view in regard to the future situation is further reinforced in the section of the report dealing with back disabilities; I would refer you to page 91 wherein appears the following:

In summary, while there is no completely satisfactory explanation of the observed differences, there is an apparent trend towards an excess prevalence of neck and back trouble in the ex-prisoners. On the evidence available it is impossible to determine to what extent service-related factors account for this trend. While this study does not establish that

there is a statistically significant difference, it does provide a basis for interim action by the Commission in adjudicating claims, and indicates the desirability of further study in the future.

The word "interim" emphasizes the fact that the commission is still groping because of the lack of clear medical evidence, in deciding whether certain disabilities should be pensionable or not or whether increased assessments are merited.

Canada must, gentlemen, if we are to do the honourable thing by the group in question, ensure that they are in no way the losers because of this uncertainty in regard to the conditions that may have developed or will develop from their experiences in Japan and other Japanese-occupied areas and we therefore again emphasize the need for the 50 per cent minimum award. This, of course, will in no way interfere with any increases which may be justified as a result of disablement over and above this figure.

Questions may be raised as to the practicability of such an arrangement. We believe that there is really no problem at all on this score. It is entirely within the power of the Pension Commission to make the necessary arrangements perhaps without the need for special legislation, though the latter would be much more acceptable, we realize, to the ex-prisoners of war involved. Two existing provisions which can readily be noted are: (1) the arrangement whereby certain pensioners for pulmonary tuberculosis have a floor of 50 per cent where the presence of tubercle bacilli has been discovered in their sputum at any time, (2) the provision for payment of automatic age increases to those suffering from gunshot wounds or disabilities sustained in action or counteraction with the enemy, whereby increases of 10 per cent are granted at age 55, 57 and 59 respectively, even though there may not have been any deterioration in the condition, provided that the pensioner was assessed at 50 per cent or better at the time he reached that age. This provision is not embodied in the Pension Act but is in the table of disabilities.

The suggested arrangement for a 50 per cent for Hong Kong veterans could be adopted as readily as the arrangement for an automatic age increase, or the protection afforded pensioners for tuberculosis.

May we suggest that this Committee make a very strong recommendation to the government to provide a minimum of 50 per cent pension to all those who served in the Far East and were prisoners of war, and of whose terrible experiences you learned first hand at a meeting of this Committee recently attended by a representative group of Hong Kong veterans.

The CHAIRMAN: Thank you very much, Mr. Thompson. We will now proceed for approximately 10 minutes with questioning. I have Mr. Chatterton, Mr. Rock and Mr. Groos.

Mr. CHATTERTON: Mr. Thompson, I would like to commend the Legion for its interesting report on the Hong Kong veterans.

This is the final meeting of this Committee. Has the Legion considered presenting a brief to this Committee on the general question of pension rates on which you have taken a stand in other places?

Mr. THOMPSON: Mr. Chairman, if I may answer that question very frankly, sir, it is our understanding that this Committee can only deal with those things

referred to it by the House. It is also my understanding, which may be correct or may be in error, that this Committee cannot originate money matters. Now, the Legion, sir, is willing and anxious to come before this Committee at any time to make representations on any matter of interest to you; I realize that in the past we have appeared before you and made representations on matters that were not properly before you—according to our understanding of the rules—and you have very kindly listened to us. It is my understanding though, sir, that to come before you on the question of rates, when you do not have the rates properly before you—well, it may be unkind to say that it is an exercise in futility, but it has been suggested that it does not accomplish a great deal. If my understanding of the rules that govern this committee are incorrect, then I would certainly appreciate being put straight.

Mr. CHATTERTON: Then, I take it the reason you did not was that you thought it was not proper, or that it was futile?

Mr. THOMPSON: As it exists at the moment, sir, we thought it would be futile. If this is incorrect, if this Committee can consider this then the Legion would welcome the opportunity—

Mr. CHATTERTON: If we consider the Hong Kong pensioners' rate, then this Committee could properly consider the question of—

The CHAIRMAN: Mr. Chatterton, we considered the pension rate in general but it was understood that when we have the Woods' report before us we would invite associations to bring us briefs on pension rate basis and automatic increases, et cetera. Even though this might not be directly related to the study of the Woods Commission we would take the opportunity ourselves to maybe get some kind of consensus of the problem of pension increases, and so on, which may be at the fall meetings.

Mr. CHATTERTON: Well, Mr. Chairman, with due deference, if Hon. Justice Woods' report as such is referred to this committee, then I think it would be improper to discuss rates, because the terms of reference to the Hon. Justice Woods do not include the question of rates. In all the hearings Justice Woods said that is not within their terms of reference. In considering the estimates and Item No. 1—or rather Item No. 2—it would have been proper for the Legion to have submitted a brief on a question of rates.

Mr. HERRIDGE: Mr. Chairman, your explanation is quite correct. It was unanimously agreed by the Committee that we would not discuss this matter with respect to administration of rates until we had the Woods' report before the Committee. At that time, it was agreed we would hear representations from veterans organizations.

Mr. CHATTERTON: I take it then, Mr. Chairman, that the terms of reference of the government when they refer to the Woods' report to this committee will include the question of rates?

The CHAIRMAN: You see when the briefs were presented to the Woods Commission some of them mentioned pension rates, and we could take that as an excuse, but we could also ask the Minister, when he refers the Woods' report to authorize the Committee to take a look at the problem of pension rates. I am pretty sure that the Minister would be interested to hear the views of the Committee because from his speech at the Legion and from his statement here

we found out that the department is quite concerned over that problem. Part of the work on our trip to Europe will be about the same questions of basic pensions, and so on.

Mr. HERRIDGE: You are quite correct, Mr. Chairman.

Mr. CLANCY: I would like a little guidance on procedure. We have the Hong Kong veterans' brief. I am aware that the Committee in its final report can only recommend to the government. I will move that we recommend to the government that action be taken upon this report.

The CHAIRMAN: This will be at our next meeting. We will have a full meeting of discussion on the presentation of that report to the House.

Mr. CLANCY: But the point is we have to put in a report; we have heard the evidence and I think every member of this Committee is agreeable—

The CHAIRMAN: We are completing the evidence this morning; we did not read the report yet as far as the procedure is concerned.

Mr. ROCK: Mr. Chairman, I would like to ask one short question of Mr. Thompson.

You are actually recommending an award of 50 per cent across the board to all Hong Kong veterans—that is about it, in a nutshell?

Mr. THOMPSON: As a basic minimum, sir, realizing that there will be some who will be 60, 70, 75 or 80; but that there be a floor of 50 per cent.

Mr. ROCK: Yes; in respecting this floor of 50 per cent, what I would like to know is if a person has a disability and is receiving at this moment a 40 or 50 per cent pension, will this be added to that 50 per cent floor now or is this still within his minimum?

Mr. THOMPSON: No, sir, our recommendation is that the man who is now getting 50 per cent—there would not be any change as the result of what we propose, although we realize there may well be a change as a result of commission action on the Richardson report. Maybe he will end up with 60 or 65 per cent. But, the man who is now getting 40 would move to 50 per cent. We are not suggesting that 50 per cent be put on top of what he now has. In other words, anybody below 50 per cent would be raised to 50 per cent.

Mr. CLANCY: In other words, Mr. Chairman, it is for the protection of the survivor. If he is not up to that level there is no survivor's benefits. Now, is that right or wrong?

Mr. THOMPSON: Well, in essence, sir, except that if the man is getting a 30 per cent pension, and at the time of death it is shown that the service disability was a material factor in the cause of death, then even though the assessment was less than 50 per cent the widow and children would still be pensioned. But, for it to happen automatically the assessment would have to be 50 per cent or more.

Mr. GROOS: On page 2 of your recommendations, I notice that the second clause of your resolution talks about "ex-Japanese prisoners of war who have died since their release from captivity and their widows have not been granted pension, steps be taken to make awards on the basis that death was service-

related." I would just like to get this clear for future discussions. Are you suggesting that the pension should be retroactive, or are you suggesting that we take a look at it as of now? I think there is a difference here.

Mr. THOMPSON: Sir, we realize there are practical problems involved. Our experience has taught us that often good things can be lost by getting too involved in the technicalities. At the present time there are widows of men who died of conditions that were not ruled service connected. They are not at the present time getting pensions. As we see it, they would be much better off if, as of today or as of tomorrow, this proposal were put into effect, than to have it die because someone raises the problem of making it retroactive, and ponders how you would deal with the legislation and how you would find the money for it. So our proposal, sir, is to be practical, and to do it as soon as possible. We realize that it may be that Section 25 would have to be employed here to pick up some of these widows' claims. But we feel it is simple; there is no real administrative problem, but we would not want to tie it down, sir, by going back 15, 17, 18, 10 or 12 years.

Mr. HERRIDGE: On page 7 of your brief, Mr. Thompson, you say: "The provision for payment of automatic age increases to those suffering from gunshot wounds or disabilities sustained in action or counteraction with the enemy, whereby increases of 10 per cent are granted at age 55, 57 and 59 respectively, even though there may not have been any deterioration in the condition, provided that the pensioner was assessed at 50 per cent or better at the time he reached that age. This provision is not embodied in the Pension Act but is in the table of disabilities," which is correct. Then you go on to say: "The suggested arrangement for a 50 per cent floor for Hong Kong veterans could be adopted as readily as the arrangement for an automatic age increase or the protection afforded pensioners for tuberculosis."

I think that is a very sound argument, indeed. Mr. Chairman, if you will pardon a personal reference, I have grown younger every year since I received my automatic increase at 59 years of age.

The CHAIRMAN: Any other questions, gentlemen.

• (11.00 a.m.)

Mr. GROOS: May I ask one more question, Mr. Chairman? The Hong Kong Veterans Association, which is associated with the Canadian Legion, of course; played what part in producing this brief? Has it been entirely discussed with them? The reason I am asking is that—not that I am finding any fault at all with the brief, I think it is absolutely excellent—there were a couple of suggestions that had been made to the Hong Kong veterans which I thought had some merit, which I do not see incorporated in here and I was wondering whether there was any reason why they were left out. I am thinking in particular about the one which covers the matter of trying to get automatic post mortems to be carried out in every instance of a Hong Kong veteran's death. The suggestion which I made as a result of seeing what I saw in the United Kingdom is that it would be helpful if a system were set up under which automatic post mortems were carried out with a central office staffed by people who had special knowledge of the problems of incarceration in the far east, reviewing all these post mortems to try and establish whether or not the pension should have been higher at the time of death.

Mr. THOMPSON: With regard to the point that Mr. Groos raised, Mr. Chairman, the Hong Kong Association in their report, made this reference:

The association is aware also of the provisions made in the United Kingdom under which an autopsy investigation is carried out automatically when the death occurs of a former member of the forces who was a prisoner of war in the Far East. In this respect, our membership must once again consider that this procedure provides no comfort to the veteran while he is alive, as he is still faced with the matter of uncertainty in regard to adequate provision to protect his widow and children in the event of his death.

Now, in direct answer to your question, sir, the Legion first of all works on the basis of appearing before committees here and before the Prime Minister and Cabinet, and stating things that have been established as Legion policy. This resolution that we quote here came from our Dominion Convention in Montreal. In the two years interval between conventions, we rely on our council meetings and subexecutive council meetings. We do try to avoid—although it is not always possible to avoid—what becomes personal opinion rather than the policy of the organization. In presenting this brief we had a clear mandate on this 50 per cent floor. Now, that does not mean to suggest that we disagree with the Hong Kong veterans' brief, and certainly our view was that they were men who were very well qualified from personal experience, and it would not be proper for us to attempt to take over the place they have in this field.

Mr. GROOS: Actually your 50 per cent or better does cover the main problem of establishing survivors' benefits. I am just thinking that if in its wisdom Parliament decided to go any less than that, this would still leave some opportunity open for this automatic post-mortem system.

Mr. THOMPSON: Such a procedure could well be beneficial. I would think from my experience of over 20 years of handling pension cases, this could be very helpful. However, I feel from a practical point of view that many people would not want this to happen. We would not want it done as a basis for letting us see what happens over the next five or ten years, because it would be too late then, to go back and help these people who are at present living under stress and strain.

Mr. CARTER: The recommendation on page 2 is regardless of the pensioner's condition? I mean if he has got nothing wrong with him at all you still recommend that he—

Mr. THOMPSON: We do on application, Mr. Chairman. We realize you can always cite illustrations to show that any proposal is unfair. I do not mean to suggest that you are, Mr. Carter, but there may well be people who do not want to apply, and I would think that just as no one is under an obligation to apply for old age pension, that this would present no problem. I think the numbers would be very few.

Mr. CARTER: This would be up to the veteran himself.

Mr. THOMPSON: Yes.

Mr. KENNEDY: Mr. Chairman, referring to the brief which is now incorporated in the record, page 7, there should be an addition put here in order to

clarify automatic increases. It states here that provided the pensioner was assessed at 50 per cent or better by the time he reached that age. After that should go the provision "that only reaches a maximum of 80 per cent".

Mr. THOMPSON: This is quite right, Mr. Chairman, and we attempted here to merely illustrate a method by which it could be dealt with, and you are quite correct.

Mr. KENNEDY: I realize that but people reading the record might misunderstand.

The CHAIRMAN: Gentlemen, I think this should conclude our questioning. It is too bad we did not get more time, but I am pretty sure that Mr. Thompson and the people from the Legion are aware that the Committee made a very thorough study of the report on the Hong Kong veterans, and the Hong Kong veterans themselves appeared before us and presented quite an interesting brief. I am sure that the Committee now has reached the stage of the preparation of a report to the House which will surely include recommendations which will, I am positive, be satisfactory to the Hong Kong veterans themselves and to veterans all through Canada and the associations like the Legion. Thanks very much for appearing, Mr. Thompson, and the other officials of the Legion.

Mr. THOMPSON: Thank you, sir. I would just like, if I might, sir, to clarify something in connection with Mr. Chatterton's two questions. When I referred to the exercise in futility I hope that none of the members of your Committee took this as an unkind reference to this Committee. I meant that we did not like to take up your time if the matter was not properly before you.

The CHAIRMAN: Before we adjourn to my call, gentlemen, I want to tell you that we will have a meeting next week for the adoption of a report on our estimates, and at the same time we will be in camera so we can discuss anything related to the Committee's trip to Europe. I will try and bring back a discussion of the points dealt with by Mr. Chatterton concerning pension rates, so I can make clear to the Committee what exactly was in my mind this morning.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament
1967

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

PROCEEDINGS

No. 1

TUESDAY, JUNE 6, 1967

INCLUDING

Appendix A:

Main Estimates (1967-68) of the Department of Veterans Affairs.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,	Mr. Herridge,	Mr. Morison,
Mr. Chatterton,	Mr. Kennedy,	Mr. Ormiston,
Mr. Clancy,	Mr. Latulippe,	Mr. Rock,
Mr. Cowan,	Mr. Legault,	Mr. Thomas
Mr. Émard,	Mr. MacRae,	(Maisonneuve-
Mr. Fane,	Mr. Madill,	Rosemont),
Mr. Groos,	Mr. Martin (<i>Timmins</i>),	Mr. Tolmie,
Mr. Habel,	Mr. Matheson,	Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

Mr. Deachman replaced Mr. Groos on June 2, 1967.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
Friday, May 19, 1967.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Boulanger,	Harley,	Martin (<i>Timmins</i>),
Chatterton,	Herridge,	Matheson,
Clancy,	Kennedy,	Morison,
Cowan,	Laniel,	Ormiston,
Émard,	Latulippe,	Rock,
Fane,	Legault,	Thomas (<i>Maisonneuve-</i>
Groos,	MacRae,	<i>Rosemont</i>),
Habel,	Madill,	Tolmie,
		Webb—(24).

THURSDAY, June 1, 1967.

Ordered,—That the Items listed in the Main Estimates for 1967-68, relating to the Department of Veterans Affairs, presented to this House at the present session, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Veterans Affairs, saving always the power of the Committee of Supply in relation to the voting of public monies.

FRIDAY, June 2, 1967.

Ordered,—That the name of Mr. Deachman be substituted for that of Mr. Groos on the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

TUESDAY, June 6, 1967.

(1)

The Standing Committee on Veterans Affairs met this day at 10:30 o'clock a.m. for the purpose of organization.

Members present: Messrs. Boulanger, Chatterton, Clancy, Cowan, Émard, Habel, Harley, Herridge, Laniel, Latulippe, Martin (*Timmins*), Matheson, Morison, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb—(16).

The Clerk attending and having called for nominations to elect a Chairman, it was moved by Mr. Harley, seconded by Mr. Webb that Mr. Gérald Laniel be elected Chairman of this Committee.

Mr. Boulanger moved, seconded by Mr. Habel,

Agreed,—That nominations be closed.

The Clerk put Mr. Harley's motion and it was *resolved* in the affirmative. Mr. Laniel took the Chair and thanked the Committee for the honour.

The Chairman called for nominations for the election of a Vice-Chairman.

It was moved by Mr. Tolmie, seconded by Mr. Boulanger,

That Mr. Harley be elected Vice-Chairman.

Mr. Boulanger moved, seconded by Mr. Webb,

Agreed,—That nominations be closed.

The Chairman put Mr. Tolmie's motion and it was *resolved* in the affirmative.

On motion of Mr. Matheson, seconded by Mr. Clancy,

Resolved,—That the Committee print 500 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, with the understanding that additional copies will be printed when required.

Mr. Herridge moved, seconded by Mr. Morison,

Agreed,—That the items listed in the Main Estimates for 1967-68 relating to the Department of Veterans Affairs be printed as appendix in Issue No. 1 of the proceedings of this Committee. (*See Appendix "A"*.)

It was moved by Mr. Thomas, seconded by Mr. Boulanger,

Agreed,—That the Chairman, the Vice-Chairman and three other members appointed by the Chairman do compose the Subcommittee on Agenda and Procedures.

Messrs. Herridge and Émard requested that a symposium of the Committee's trip to Europe last year, be appended to the next issue of the Committee's proceedings. It was decided that the subcommittee deal with this matter.

At 10:55 o'clock a.m., Mr. Thomas moved, seconded by Mr. Webb, that the Committee adjourn to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

APPENDIX A

VETERANS AFFAIRS

MAIN ESTIMATES, 1967-68

VETERANS AFFAIRS

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
(S)	Minister of Veterans Affairs—Salary and Motor Car Allowance (Details, page 574).....	17,000	17,000		
	ADMINISTRATION				
1	Departmental Administration (Details, page 574).....	5,702,200	5,234,500	467,700	
	WELFARE SERVICES, ALLOWANCES AND OTHER BENEFITS				
5	Administration, including the expenses of the War Veterans Allowance Board (Details, page 575).....	6,452,400	6,293,400	159,000	
10	War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations (Details, page 577).....	115,721,000	112,975,000	2,746,000	
15	Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates (Details, page 578).....	2,710,200	2,798,200		88,000
(S)	War Service Gratuities, Re-Establishment Credits and repayments under section 13A of the War Service Grants Act of compensating adjustments made in accordance with the terms of the Veterans' Land Act (Details, page 579).....	505,000	455,000	50,000	
		125,388,600	122,521,600	2,867,000	
	PENSIONS				
20	Administration (Details, page 580).....	3,212,000	3,107,300	104,700	
25	Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards; Burial Grants; and Gallantry Awards (World War II and Special Force) (Details, page 581).....	108,979,000	197,003,000	1,976,000	
		202,191,000	200,110,300	2,080,700	

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
	TREATMENT SERVICES				
30	Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services (Details, page 582).....	55,703,900	52,649,400	3,054,500	
35	Hospital Construction, Improvements, Equipment and Acquisition of Land (Details, page 584).....	5,947,000	5,058,000	889,000	
38	Treatment and Related Allowances (Details, page 585).....	2,610,000	2,730,000		120,000
		64,260,900	60,437,400	3,823,500	
	SOLDIER SETTLEMENT AND VETERANS' LAND ACT				
40	Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein (Details, page 585).....	5,338,600	4,728,900	609,700	
45	Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act (Details, page 587).....	130,000	145,000		15,000
(S)	Provision for reserve for conditional benefits, Veterans' Land Act (Details, page 588).....	3,508,000	3,395,000	113,000	
		8,976,600	8,268,900	707,700	
	SUMMARY				
	To be voted.....	402,506,300	392,722,700	9,783,600	
	Authorized by Statute.....	4,030,000	3,867,000	163,000	
		406,536,300	396,589,700	9,946,600	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		Approximate Value of Major Services not Included in these Estimates		
		Accommodation (provided by the Department of Public Works).....	2,250,100	2,065,000
		Accommodation (in this Department's own buildings).....	8,011,800	7,000,100
		Accounting and cheque issue services (Comptroller of the Treasury).....	3,935,800	3,261,300
		Contributions to Superannuation Account (Treasury Board).....	4,367,300	3,165,800
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board).....	862,800	886,600
		Employee surgical-medical insurance premiums (Treasury Board).....	417,900	284,300
		Employee compensation payments (Department of Labour).....	182,600	121,200
		Carrying of franked mail (Post Office Department).....	56,600	57,800
			20,084,900	16,842,100
		Statutory—Minister of Veterans Affairs—Salary and Motor Car Allowance		
		Salary.....(1)	15,000	15,000
		Motor Car Allowance.....(2)	2,000	2,000
			17,000	17,000
		ADMINISTRATION		
		Vote 1—Departmental Administration		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		Deputy Minister (\$24,840)		
		Senior Officer 3 (\$20,500-\$24,750)		
		Senior Officer 1 (\$16,500-\$20,500)		
		Administrative and Foreign Service:		
		(\$16,000-\$18,000)		
		(\$14,000-\$16,000)		
		(\$12,000-\$14,000)		
		(\$10,000-\$12,000)		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		(Part Time)		
		Technical, Operational and Service:		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
		(Under \$4,000)		
		Administrative Support:		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
		(Under \$4,000)		
		Prevailing Rate Positions:		
		(Full Time)		
661	796			

VETERANS AFFAIRS

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		ADMINISTRATION (Continued)		
		Vote 1 (Continued)		
(661)	(795)	Salaries and Wages (including \$440,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	3,965,000	3,750,000
		Allowances..... (2)	7,200	8,000
		Corps of Commissionaires Services..... (4)	27,500	27,000
		Last Post Fund..... (4)	435,000	370,000
		Books of Remembrance..... (4)	2,500	500
		Travelling Expenses—Staff..... (5)	75,000	60,000
		Freight, Express and Cartage..... (6)	13,500	20,200
		Postage..... (7)	5,600	5,600
		Telephones and Telegrams..... (8)	43,000	44,700
		Publication of Departmental Reports and Other Material..... (9)	8,500	14,000
		Advertising and Publicity..... (10)	35,000	35,500
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	200,000	165,500
		Rental of Office Machines..... (11)	29,400	20,500
		Battlefields Memorials..... (14)	95,000	86,000
		Maintenance of Departmental Cemeteries and Plots (14)	44,000	45,000
		Commonwealth War Graves Commission..... (20)	538,000	536,000
		Memorial and Remembrance Ceremonies..... (22)	140,000	
		Campaign Stars and Medals, including cost of distribution..... (22)	3,000	2,000
		Sundries..... (22)	35,000	44,000
			5,702,200	5,234,500
		Expenditure		
		1964-65..... \$ 2,654,820		
		1965-66..... 2,665,251		
		1966-67 (estimated)..... 5,175,000		
		WELFARE SERVICES ALLOWANCES AND OTHER BENEFITS		
		Vote 5—Administration, including the expenses of the War Veterans Allowance Board		
		VETERANS' WELFARE SERVICES		
		Salaried Positions:		
1	1	Executive, Scientific and Professional:		
		Senior Officer 1 (\$16,500-\$20,500)		
2	2	Administrative and Foreign Service:		
4	4	(\$14,000-\$16,000)		
37	11	(\$10,000-\$12,000)		
72	80	(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
161	161	Technical, Operational and Service:		
115	114	(\$6,000-\$8,000)		
4	3	(\$4,000-\$6,000)		
		(Under \$4,000)		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		WELFARE SERVICES, ALLOWANCES AND OTHER BENEFITS (Continued)		
		Vote 5 (Continued)		
		VETERANS' WELFARE SERVICES (Continued)		
		Salaried Positions: (Continued)		
		Administrative Support:		
		(\$8,000-\$10,000)		
2		(\$6,000-\$8,000)		
45	14	(\$4,000-\$6,000)		
448	245	(Under \$4,000)		
155	390			
1,046	1,025			
(1,046)	(1,025)			
		Salaries (including \$570,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	5,600,000	5,520,000
		Allowances..... (2)		3,800
		Corps of Commissionaires Services..... (4)	37,000	35,000
		Professional and Special Services..... (4)	18,000	18,000
		Travelling Expenses—Staff..... (5)	252,000	205,000
		Postage..... (7)	38,000	38,000
		Telephones and Telegrams..... (8)	60,000	60,700
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	121,000	70,000
		Materials and Supplies..... (12)	5,000	4,000
		Acquisition of Motor Vehicles..... (18)	10,000	7,000
		Repairs and Upkeep of Equipment..... (17)	7,500	7,000
		Travelling Expenses—Applicants, Recipients and Others..... (22)	17,000	19,200
		Sundries..... (22)	5,000	3,800
			6,170,500	5,989,500
		Expenditure		
		1964-65..... \$ 3,836,938		
		1965-66..... 3,942,308		
		1966-67 (estimated)..... 5,859,800		
		WAR VETERANS ALLOWANCE BOARD—ADMINISTRATION		
1	1	Chairman (\$19,440)		
1	1	Deputy Chairman (\$17,280)		
5	5	Member (\$15,120)		
		Salaried Positions:		
		Administrative and Foreign Service:		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		Administrative Support:		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
		(Under \$4,000)		
31	31			
(31)	(31)			
		Salaries (including \$37,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	263,000	265,000
		Travelling Expenses—Staff..... (5)	2,000	2,000
		Postage..... (7)	300	300
		Telephones and Telegrams..... (8)	1,500	1,500

VETERANS AFFAIRS

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		WELFARE SERVICES, (Continued)		
		Vote 5 (Continued)		
		WAR VETERANS ALLOWANCE BOARD—ADMINISTRATION (Continued)		
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	10,000	5,000
		Pensions—Retired Board Members.....(21)	5,000	5,000
		Sundries.....(22)	100	100
			281,900	278,900
		Expenditure		
		1964-65.....\$ 223,617		
		1965-66.....230,531		
		1966-67 (estimated).....280,700		
		ITEM NOT REQUIRED FOR 1967-68		
		Grant to World Veterans Federation.....(20)		25,000
		Expenditure		
		1964-65.....\$.....		
		1965-66.....		
		1966-67 (estimated).....23,307		
		Total, Vote 5.....	6,452,400	6,293,400
		Expenditure		
		1964-65.....\$ 4,060,555		
		1965-66.....4,172,839		
		1966-67 (estimated).....6,163,807		
		Vote 10—War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations		
		WAR VETERANS ALLOWANCES AND CIVILIAN ALLOWANCES		
		North West Field Force.....	13,000	12,000
		South African War.....	568,000	608,000
		World War I.....	63,600,000	68,110,000
		World War II and Special Force (Korea).....	40,400,000	36,100,000
		Dual Service (World Wars I and II).....	2,045,000	2,315,000
		Civilian War Allowances.....	2,495,000	2,325,000
		(28)	109,121,000	107,470,000
		Expenditure		
		1964-65.....\$ 92,845,721		
		1965-66.....99,901,624		
		1966-67 (estimated).....104,500,000		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		WELFARE SERVICES, (Continued)		
		Vote 10 (Continued)		
		ASSISTANCE IN ACCORDANCE WITH THE PROVISIONS OF THE ASSISTANCE FUND REGULATIONS..... (28)	6,600,000	5,505,000
		Expenditure		
		1964-65..... \$ 3,977,234		
		1965-66..... 5,699,092		
		1966-67 (estimated)..... 6,000,000		
		Total, Vote 10	115,721,000	112,975,000
		Expenditure		
		1964-65..... \$ 96,822,955		
		1965-66..... 105,600,716		
		1966-67 (estimated)..... 110,500,000		
		Vote 15—Other Benefits, Including Education As- sistance, Hospital Insurance Premiums or pay- ments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjust- ments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agree- ments to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Esti- mates		
		Training and Aftercare of Blinded Pensioners by Canadian National Institute for the Blind..... (4)	65,000	62,000
		Special Welfare and Placement Services..... (4)	17,200	17,200
		Correspondence Courses..... (4)	21,000	25,000
		Grant to Army Benevolent Fund..... (20)	18,000	18,000
		Grant to Royal Canadian Legion..... (20)	9,000	9,000
		Awaiting Returns Allowances..... (28)	37,000	45,000
		University and Vocational Training..... (28)	49,000	22,000
		Children of War Dead (Education Assistance)..... (28)	856,000	815,000
		Assistance to Canadian Veterans—Overseas District. (28)	30,000	30,000
		Repayments under Section 12(3), Veterans Rehabi- litation Act..... (28)	5,000	5,000
		Hospital Insurance Premiums, or Payments in lieu, for Recipients of War Veterans Allowance and Civilian War Allowance..... (28)	1,603,000	1,750,000
			2,710,200	2,798,200

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		WELFARE SERVICES, (Continued)		
		Vote 15 (Continued)		
		Expenditure		
		1964-65.....	\$ 1,005,159	
		1965-66.....	1,155,148	
		1966-67 (estimated).....	2,700,000	
		Statutory—War Service Gratuities, Re-Establishment Credits and Repayments under section 13A of the War Service Grants Act of compensating adjustments made in accordance with the terms of the Veterans' Land Act		
		STATUTORY—WAR SERVICE GRATUITIES (CHAP. 289, R.S.)(28)	5,000	5,000
		Expenditure		
		1964-65.....	\$ 4,818	
		1965-66.....	2,263	
		1966-67 (estimated).....	5,000	
		STATUTORY—RE-ESTABLISHMENT CREDITS (CHAP. 289, R.S.)..... (28)	300,000	200,000
		Expenditure		
		1964-65.....	\$ 291,147	
		1965-66.....	216,974	
		1966-67 (estimated).....	190,000	
		STATUTORY—REPAYMENTS UNDER SECTION 13A OF THE WAR SERVICE GRANTS ACT OF COMPENSATING ADJUSTMENTS MADE IN ACCORDANCE WITH THE TERMS OF THE VETERANS' LAND ACT..... (28)	200,000	250,000
		Expenditure		
		1964-65.....	\$ 220,888	
		1965-66.....	195,731	
		1966-67 (estimated).....	200,000	
		Total, Statutory Item.....	505,000	455,000
		Expenditure		
		1964-65.....	\$ 516,853	
		1965-66.....	414,968	
		1966-67 (estimated).....	395,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PENSIONS		
		Vote 20—Administration		
1	1	Chairman, Canadian Pension Commission (\$21,600)		
1	1	Deputy Chairman, Canadian Pension Commission (\$19,440)		
15	15	Commissioner (\$17,280)		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Medical Officer 6 (\$21,000-\$22,000)		
1	1	Medical Officer 5 (\$18,500-\$19,500)		
14	14	(\$18,000-\$20,000)		
39	39	(\$16,000-\$18,000)		
1	1	(\$12,000-\$14,000)		
		Administrative and Foreign Service:		
1	1	(\$10,000-\$12,000)		
3	3	(\$8,000-\$10,000)		
11	11	(\$6,000-\$8,000)		
		Technical, Operational and Service:		
4		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
11	11	(\$4,000-\$6,000)		
		Administrative Support:		
3		(\$8,000-\$10,000)		
37	17	(\$6,000-\$8,000)		
178	154	(\$4,000-\$6,000)		
37	84	(Under \$4,000)		
358	358			
(358)	(358)			
		Salaries (including \$320,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	2,675,000	2,570,000
		Allowances.....(2)	5,000	4,800
		Professional and Special Services.....(4)	85,000	90,000
		Travelling Expenses—Staff.....(5)	83,000	96,000
		Postage.....(7)	13,500	13,500
		Telephones and Telegrams.....(8)	18,500	18,500
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	59,000	39,000
		Travelling Expenses—Applicants, Pensioners and Escorts.....(22)	200,000	200,000
		Sundries.....(22)	3,000	2,500
		Compensation for Loss of Earnings.....(28)	70,000	73,000
			3,212,000	3,107,300
		Expenditure		
		1964-65.....\$ 2,792,022		
		1965-66.....2,858,096		
		1966-67 (estimated).....3,170,900		

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		PENSIONS (Continued)		
		Vote 25—Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards; Burial Grants and Gallantry Awards (World War II and Special Force)		
		PENSIONS FOR DISABILITY AND DEATH, INCLUDING PENSIONS GRANTED UNDER THE AUTHORITY OF THE CIVILIAN GOVERNMENT EMPLOYEES (WAR) COMPENSATION ORDER, P.C. 45/8848 OF NOVEMBER 22, 1944, WHICH SHALL BE SUBJECT TO THE PENSION ACT; AND INCLUDING NEWFOUNDLAND SPECIAL AWARDS		
		North West Field Force and General.....	8,000	6,000
		The Flying Accidents Compensation Order.....	66,000	55,000
		World War I.....	60,650,000	61,800,000
		World War II.....	131,335,000	128,630,000
		Civilians, World War II.....	707,000	660,000
		Defence Forces—Peacetime Services.....	3,720,000	3,510,000
		Special Forces (Korea).....	2,025,000	1,878,000
		Newfoundland Special Awards.....	38,000	37,000
		Burial Grants.....	400,000	400,000
		(27)	198,949,000	196,976,000
		Expenditure		
		1964-65.....	\$180,300,376	
		1965-66.....	185,532,099	
		1966-67 (estimated).....	195,500,000	
		GALLANTRY AWARDS—WORLD WAR II AND SPECIAL FORCE.....(28)	30,000	27,000
		Expenditure		
		1964-65.....	\$ 25,787	
		1965-66.....	27,226	
		1966-67 (estimated).....	29,000	
		Total, Vote 25.....	198,979,000	197,003,000
		Expenditure		
		1964-65.....	\$180,326,163	
		1965-66.....	185,559,325	
		1966-67 (estimated).....	195,529,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES		
		Vote 39—Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services		
		TREATMENT SERVICES—OPERATION OF HOSPITALS AND ADMINISTRATION INCLUDING AUTHORITY, NOTWITHSTANDING THE FINANCIAL ADMINISTRATION ACT, TO SPEND REVENUE RECEIVED DURING THE YEAR FOR HOSPITAL AND RELATED SERVICES		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 3 (\$20,500-\$24,750)		
73	88	Medical Specialist 2 (\$17,500-\$24,750)		
6	7	Medical Officer 6 (\$21,000-\$22,000)		
7	7	Medical Officer 5 (\$18,500-\$19,500)		
30		(\$18,000-\$20,000)		
46		(\$16,000-\$18,000)		
9	78	(\$14,000-\$16,000)		
35	35	(\$12,000-\$14,000)		
12	2	(\$10,000-\$12,000)		
64	27	(\$8,000-\$10,000)		
175	198	(\$6,000-\$8,000)		
205	32	(\$4,000-\$6,000)		
1	260	(Under \$4,000)		
	1	(Part Time)		
		Administrative and Foreign Service:		
2	3	(\$12,000-\$14,000)		
10	10	(\$10,000-\$12,000)		
36	36	(\$8,000-\$10,000)		
36	35	(\$6,000-\$8,000)		
	30	(\$4,000-\$6,000)		
		Technical, Operational and Service:		
1		(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
8	5	(\$8,000-\$10,000)		
224	135	(\$6,000-\$8,000)		
4,345	3,252	(\$4,000-\$6,000)		
1,374	3,612	(Under \$4,000)		
2	2	(Part Time)		
		Administrative Support:		
5		(\$8,000-\$10,000)		
86	15	(\$6,000-\$8,000)		
798	548	(\$4,000-\$6,000)		
382	797	(Under \$4,000)		
	1	(Part Time)		
		Prevailing Rate Positions:		
1,466	1,766	(Full Time)		
9,439	10,964			
(9,438)	(10,962)			
(75)	(47)			
(9,513)	(11,009)			
		Continuing Establishment.....	42,400,000	46,958,000
		Casuals and Others.....	300,000	150,000
		Salaries and Wages (including \$3,218,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	42,700,000	47,108,000
		Overtime.....(1)	721,000	800,000
		Night Differential Payments for Operating Services.....(2)	211,000	300,000
		Hospitalization in other than Department of Veterans Affairs Institutions.....(4)	7,799,000	3,905,000
		Fees—Doctors and Consultants, Department of Veterans Affairs Institutions.....(4)	3,452,000	3,620,000
		Corps of Commissionaires Services.....(4)	804,000	900,000
		Canadian Red Cross Society—Arts and Crafts Program.....(4)	133,000	133,000
		Other Professional and Special Services.....(4)	5,316,000	3,522,000

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES (Continued)		
		Vote 30 (Continued)		
		TREATMENT SERVICES—OPERATION OF HOSPITALS AND ADMINISTRATION ETC. (Continued)		
		Travelling Expenses—Staff..... (5)	205,000	195,000
		Freight, Express and Cartage..... (6)	53,000	44,000
		Postage..... (7)	65,000	65,000
		Telephones and Telegrams..... (8)	205,000	222,600
		Publication of Medical Services Journal, Canada..... (9)	13,500	21,000
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	210,000	157,000
		Materials and Supplies..... (12)	10,821,000	11,440,000
		Repairs and Upkeep of Buildings and Works, including Land..... (14)	945,000	1,020,000
		Rentals of Buildings, Works and Land..... (15)	69,400	12,000
		Acquisition of Motor Vehicles..... (16)	54,000	40,000
		Repairs and Upkeep of Equipment..... (17)	254,000	360,000
		Light and Power..... (19)	372,000	440,000
		Water Rates, Taxes and Other Public Utility Services..... (19)	161,000	190,000
		Unemployment Insurance Contributions..... (21)	57,000	61,800
		Travelling Expenses—Patients and Escorts..... (22)	765,000	706,000
		Laundry..... (22)	308,000	290,000
		Nursing Assistants—Trainees' Allowances..... (22)	62,000	57,000
		Medical Education..... (22)	22,000	20,000
		Funerals..... (22)	550,000	550,000
		Cemetery Charges..... (22)	145,000	140,000
		Grave Markers..... (22)	150,000	155,000
		Sundries, including allowances to student laboratory technicians..... (22)	118,000	132,000
		Less—Recoverable Costs—Treatment of Patients, Staff Meals and Accommodation, etc..... (34)	76,740,900	76,606,400
			21,452,000	24,392,000
			55,288,900	52,214,400
		Expenditure Revenue		
		1964-65..... \$ 66,723,111 \$22,983,329		
		1965-66..... 71,959,445 24,645,036		
		1966-67 (estimated)..... 76,880,000 23,140,000		
		TREATMENT SERVICES—MEDICAL RESEARCH		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		(\$16,000-\$18,000)		
1		(\$12,000-\$14,000)		
	2	(\$10,000-\$12,000)		
5		(\$8,000-\$10,000)		
6	5	(\$6,000-\$8,000)		
	6	(\$4,000-\$6,000)		
1	1	(Part Time)		
		Technical, Operational and Service:		
12		(\$6,000-\$8,000)		
33	50	(\$4,000-\$6,000)		
1	1	(Part Time)		
60	65			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES (Continued)		
		Vote 30 (Continued)		
		TREATMENT SERVICES—MEDICAL RESEARCH (Continued)		
(59)	(64)	Salaries.....(1)	228,000	256,000
		Fees of Specialists engaged in Research.....(4)	131,000	137,000
		Other Professional and Special Services.....(4)	5,000	1,000
		Travelling Expenses—Staff.....(5)	3,000	3,000
		Special Research Drugs.....(12)	1,000	1,000
		Special Research Equipment.....(16)	30,000	25,000
		Miscellaneous Expenses.....(22)	15,000	10,000
		Travelling Expenses—Patients and Escorts.....(22)	1,000	1,000
		Compensation for Loss of Earnings.....(28)	1,000	1,000
			415,000	435,000
		Expenditure		
		1964-65.....\$ 420,987		
		1965-66.....417,726		
		1966-67 (estimated).....422,000		
		Total, Vote 30.....	55,703,900	52,649,400
		Expenditure Revenue		
		1964-65.....\$ 67,144,098 \$22,983,329		
		1965-66.....72,377,171 24,645,036		
		1966-67 (estimated).....77,302,000 23,140,000		
		Vote 35—Hospital Construction, Improvements, Equipment and Acquisition of Land		
		HOSPITAL CONSTRUCTION, IMPROVEMENTS, EQUIP- MENT AND ACQUISITION OF LAND		
		Hospital Construction and Improvements.....(13)	4,772,000	3,668,000
		Construction or Acquisition of Equipment.....(16)	1,175,000	890,000
			5,947,000	4,558,000
		Expenditure		
		1964-65.....\$ 2,199,288		
		1965-66.....1,684,304		
		1966-67 (estimated).....2,600,000		

VETERANS AFFAIRS

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES (Continued)		
		Vote 35 (Continued)		
		ITEM NOT REQUIRED FOR 1967-68		
		CONTRIBUTION TO THE PROVINCE OF ALBERTA TOWARDS THE COST OF CONSTRUCTING AND EQUIPPING A NURSING HOME.....(13)		500,000
		Expenditure		
		1964-65.....\$		
		1965-66.....		
		1966-67 (estimated).....615,000		
		Total, Vote 35.....	5,947,000	5,058,000
		Expenditure		
		1964-65.....\$ 2,199,288		
		1965-66.....1,684,304		
		1966-67 (estimated).....3,215,000		
		Vote 38—Treatment and Related Allowances....(28)	2,610,000	2,730,000
		Expenditure		
		1964-65.....\$ 2,724,562		
		1965-66.....2,621,200		
		1966-67 (estimated).....2,575,000		
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT		
		Vote 40—Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein		
		ADMINISTRATION OF VETERANS' LAND ACT; SOLDIER SETTLEMENT AND BRITISH FAMILY SETTLEMENT		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		Director of Soldier Settlement and Director, Veterans' Land Act (\$18,360)		
		(\$14,000-\$16,000)		
		Administrative and Foreign Service:		
		(\$14,000-\$16,000)		
		(\$12,000-\$14,000)		
		(\$10,000-\$12,000)		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
1	1			
1				
1				
9	8			
2	4			
53	51			
125	121			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)		
		Vote 40 (Continued)		
		ADMINISTRATION OF VETERANS' LAND ACT; SOLDIER SETTLEMENT AND BRITISH FAMILY SETTLEMENT (Continued)		
		Salaried Positions: (Continued)		
		Technical, Operational and Service:		
		(\$12,000-\$14,000)		
2		(\$10,000-\$12,000)		
1	2	(\$8,000-\$10,000)		
2	1	(\$6,000-\$8,000)		
116	117	(\$4,000-\$6,000)		
2	2	Administrative Support:		
		(\$8,000-\$10,000)		
2		(\$6,000-\$8,000)		
39	14	(\$4,000-\$6,000)		
274	184	(Under \$4,000)		
27	144			
657	649			
(657)	(649)	Continuing Establishment.....	4,325,000	3,928,000
(8)	(5)	Casuals and Others.....	30,000	20,000
(665)	(654)	Salaries and Wages (including \$408,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	4,355,000	3,948,000
		Professional and Special Services.....(4)	416,000	225,700
		Travelling Expenses.....(5)	367,000	353,000
		Freight, Express and Cartage.....(6)		200
		Postage.....(7)	42,500	42,500
		Telephones and Telegrams.....(8)	55,000	55,000
		Office Stationery, Supplies, Equipment and Fur- nishings.....(11)	58,000	41,000
		Motor Vehicles—Purchase and Replacement.....(16)	2,500	4,000
		Repairs and Upkeep of Motor Vehicles.....(17)	3,000	3,000
		Expenses of Regional Advisory Committees and Provincial Advisory Boards.....(22)	4,000	5,300
		Sundries.....(22)	9,700	8,700
			5,312,700	4,686,400
		Expenditure		
		1964-65.....\$ 4,285,368		
		1965-66.....4,340,324		
		1966-67 (estimated).....5,105,000		
		UPKEEP OF PROPERTY, VETERANS' LAND ACT, INCLUDING ENGINEERING AND OTHER INVESTI- GATIONAL PLANNING EXPENSES THAT DO NOT ADD TANGIBLE VALUE TO REAL PROPERTY; TAXES, IN- SURANCE AND MAINTENANCE OF PUBLIC UTILITIES		
		Consulting Engineers, Surveyors, etc.....(4)	1,000	1,000
		Maintenance of Public Utilities.....(14)	8,800	24,800
		Taxes.....(19)	12,500	13,000
		Sundries.....(22)	600	700
			22,900	39,500
		Expenditure		
		1961-65.....\$ 32,853		
		1965-66.....28,314		
		1966-67 (estimated).....33,000		

VETERANS AFFAIRS

587

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)		
		Vote 40 (Continued)		
		TO AUTHORIZE, SUBJECT TO THE APPROVAL OF THE GOVERNOR IN COUNCIL, NECESSARY REMEDIAL WORK ON PROPERTIES CONSTRUCTED UNDER INDIVIDUAL FIRM PRICE CONTRACTS AND SOLD UNDER THE VETERANS' LAND ACT AND TO CORRECT DEFECTS FOR WHICH NEITHER THE VETERAN NOR THE CONTRACTOR CAN BE HELD FINANCIALLY RESPONSIBLE, AND FOR SUCH OTHER WORK ON OTHER PROPERTIES AS MAY BE REQUIRED TO PROTECT THE INTEREST OF THE DIRECTOR THEREIN..... (14)	3,000	3,000
		Expenditure		
		1964-65..... \$ 3,568		
		1965-66.....		
		1966-67 (estimated)..... 2,000		
		Total, Vote 40.....	5,338,600	4,728,900
		Expenditure		
		1964-65..... \$ 4,321,789		
		1965-66..... 4,368,638		
		1966-67 (estimated)..... 5,140,000		
		Vote 45—Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act		
		GRANTS TO VETERANS SETTLED ON PROVINCIAL LANDS IN ACCORDANCE WITH AGREEMENTS WITH PROVINCIAL GOVERNMENTS UNDER SECTION 38 OF THE VETERANS' LAND ACT, AND GRANTS TO VETERANS SETTLED ON DOMINION LANDS IN ACCORDANCE WITH AN AGREEMENT WITH THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT UNDER SECTION 38 OF THE VETERANS' LAND ACT... (28)	110,000	115,000
		Expenditure		
		1964-65..... \$ 76,652		
		1965-66..... 111,065		
		1966-67 (estimated)..... 105,000		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)		
		Vote 45 (Continued)		
		GRANTS TO INDIAN VETERANS SETTLED ON INDIAN RESERVE LANDS UNDER SECTION 39 OF THE VET- ERANS' LAND ACT.....(28)	20,000	30,000
		Expenditure		
		1964-65.....\$ 17,021		
		1965-66.....19,258		
		1966-67 (estimated).....20,000		
		Total, Vote 45.....	130,000	145,000
		Expenditure		
		1964-65.....\$ 93,673		
		1965-66.....130,323		
		1966-67 (estimated).....125,000		
		Statutory—Provision for reserve for conditional benefits, Veterans' Land Act.....(28)	3,508,000	3,395,000
		Expenditure		
		1964-65.....\$ 3,147,372		
		1965-66.....3,202,633		
		1966-67 (estimated).....3,395,000		

LOANS, INVESTMENTS AND ADVANCES

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
	VETERANS AFFAIRS				
	Soldier Settlement and Veterans' Land Act				
L115	To increase to \$530,000,000 the amount that may be charged at any one time to the Veterans' Land Act Fund established by section 5A of the Veterans' Land Act, for the purposes of Parts I, II and III of that Act except sections 38, 39 and 56 thereof—additional amount re- quired.....	150,000,000	150,000,000	

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Deachman,
Mr. Émard,
Mr. Fane,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

(Quorum 13)

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas
(*Maisonneuve-
Rosemont*),
Mr. Tolmie,
Mr. Webb—24.

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, June 8, 1967.

The Standing Committee on Veterans Affairs met this day at 9.45 o'clock a.m. The Chairman, Mr. Laidel, presided.

Members present: Messrs. Chatterton, Cowan, Deachman, Emard, Habel, Harley, Herridge, Laniel, Legault, Madill, MacRae, Martin (*Timmins*), Morison, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (16).

In attendance: From the Department of Veterans Affairs: The Honourable Roger Teillet, Minister; Mr. Paul Pelletier, Deputy Minister; Mr. C. F. Black, Departmental Secretary; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. C. S. T. Tubb, Director Social Welfare, Welfare Services; Mr. P. E. Reynolds, Director, Legal Services; Mr. J. E. Walsh, Director, Financial Management; Mr. A. D. McCracken, Director, Budget & Administration, Veteran's Land Administration; Mr. W. T. Cromb, Chairman, War Veterans' Allowance Board; Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Dr. W. F. Brown, Chief Medical Adviser, Canadian Pension Commission; Mr. A. L. Fortey, Secretary, Canadian Pension Commission; Mr. F. G. Stockley, Chief, Budget & Administration, Canadian Pension Commission; Mr. W. G. H. Roaf, Deputy Chairman, War Veterans' Allowance Board; Mr. P. Benoit, Executive Assistant, War Veterans' Allowance Board.

The Chairman opened the meeting and informed the Committee that the following members composed the Subcommittee on Agenda and Procedure: Mr. Laniel, Chairman, Mr. Harley, Vice-Chairman, Mr. Chatterton, Mr. Herridge and Mr. Latulippe.

The Clerk of the Committee was asked to read the Report of the subcommittee which is as follows:

"FIRST REPORT OF YOUR SUBCOMMITTEE

Your Subcommittee met on Tuesday, June 6, 1967, in the Chairman's Office.

Members Present: Messrs. Laniel, Herridge, Harley, Chatterton and Latulippe.

The Committee discussed Agenda and Procedure.

Your Committee recommends:

1. That we proceed forthwith with the consideration of the Departmental Estimates and that no witnesses, other than Departmental Officials, will be called, in order to expedite the study of Estimates and recommend them to the House prior to summer recess.
2. In order to permit the Committee to continue sitting after having reported the Estimates to the House, your Subcommittee recommends that the Chairman be authorized to make representation to the

Minister in view of having the Annual Report of the Department of Veterans Affairs referred to the Committee immediately. It was decided that Veterans organizations would be invited to make representations to the Committee at that time.

Your Subcommittee is also hopeful of an early opportunity to study the Wood's Report.

3. Your Subcommittee agreed that the following schedule of meetings be submitted for your approval:

Thursday, June 8—9.30 a.m.—Room 208

Tuesday, June 13—11.00 a.m.—Room 208

Thursday, June 15—11.00 a.m.—Room 208

Friday, June 16—9.30 a.m.—Room 208

If necessary, it was suggested that the Committee consider sitting from 1.00 p.m. to 2.30 p.m.

4. It was agreed that the Committee proceed with the study of Estimates in the following order:

- (a) Vote (1). Administration—will be called for the purpose of hearing the Minister's presentation and to permit questions of a general nature. This item will then be stood and re-examined after all other votes have been disposed of.
- (b) Votes 25 and 20. Pensions.
- (c) Votes 10, 15 and 5—Welfare services, Allowances and other benefits.
- (d) Votes 40, 45 and L115—Soldiers Settlement and Veterans Land Act.
- (e) Votes 30, 35 and 38—Treatment Services.
- (f) Complete Vote (1)—Administration.

5. Your Chairman was authorized to prepare a draft report of the Committee's trip to Europe last summer, to be presented for your approval at a future meeting, and be appended to our Proceedings and Evidence."

Mr. Chatterton moved, seconded by Mr. Legault,

Agreed.—That the First Report of the Subcommittee be adopted as read.

The Chairman called Item (1) of the Main Estimates (1967-68) of the Department of Veterans Affairs and introduced the Minister.

The Honourable Roger Teillet, Minister of Veterans Affairs addressed the Committee.

Mr. Paul Pelletier, Deputy Minister, was asked to introduce the Officials of the Department.

The Committee proceeded to the questioning of the Minister and his Officials.

The Chairman thanked the Minister for his address and for having accepted the Committee's invitation.

The Chairman asked that Item (1) stand and called Items 25 and 20 relating to pensions.

It was *agreed* that a letter from Mr. W. T. Cromb, Chairman of War Veterans Allowance Board addressed to Recipients of War Veterans Allowances and Civilian War Allowances be appended to this issue (*See appendix "B"*)

Items 25 and 20 were severally examined and adopted.

At 11.05 o'clock a.m., on motion of Mr. Harley, seconded by Mr. Chatterton, the Committee adjourned to Tuesday, June 13, 1967.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday June 8, 1967.

Motion agreed to.

The Chairman: Gentlemen, I now see a quorum and I call the meeting to order.

Before we begin the study of the departmental estimates and invite the Minister to make his presentation I wish to inform the Committee that after consultation with the different parties the following members have been chosen to be members of the Subcommittee on Agenda and Procedure, commonly called the Subcommittee: Mr. Harley, Mr. Chatterton, Mr. Herridge, Mr. Latulippe and myself.

The Subcommittee met on Tuesday afternoon in my office and I now invite the Clerk of the Committee to read the first report of the Subcommittee.

(See Minutes of Proceedings)

Mr. Chatterton: Did not the Subcommittee recommend that not only the Woods report but also the departmental report on pension rates be referred to the Committee?

The Chairman: I do not understand your question.

Mr. Chatterton: The Minister has informed the House that a departmental committee also has been established to study the question of pension rates. It is my understanding that the Subcommittee recommended that this report also should be referred to the Veterans Affairs Committee.

The Chairman: I am not sure. I did not understand it that way.

Mr. Herridge: That is a matter we can attend to at a later meeting.

The Chairman: Yes. We have no idea of how soon such a report could be available. Actually, it has not been prepared for the Committee. It would be left to the discretion of the Minister, I believe.

If there are no other questions, could I have a motion to adopt the report?

Mr. Chatterton: I so move.

Mr. Legault: I second the motion.

The Chairman: We are very happy to have the Minister with us this morning. I welcome him today and should like to tell him that the door is open to all our future meetings. I am also happy to see so many officials of the Department and I hope the Minister or the Deputy Minister will take the opportunity to introduce them to the members of the Committee. I know you are quite busy, Mr. Minister, as there is a cabinet meeting this morning. I do not wish to delay you, so I will give you the floor.

The Honourable Roger Teillet (Minister of Veterans Affairs): Thank you, Mr. Chairman and gentlemen. I must say to you first that I am going to read my comments this morning. I have been on the road for ten days now in very charming company, with Princess Alexandra. She is much younger than I and the hours have rather beaten me down. In fact, I need about 20 hours sleep right now.

However, I think it is most appropriate, even if it is coincidental, that this meeting of your Committee should be held on the eve of your National Veterans Week which will begin our Sunday—memorial Sunday—and which will be observed throughout Canada, not only in commemoration of the more than 100,000 Canadians who died on the battlefields of the world but also in tribute to the one million or so veterans still living in Canada.

We, as members of parliament, have a special duty and a heavy responsibility in relation to the legislation that provides benefits to those who offered their lives in the service of their country. During this and your next several meetings, you will closely examine the estimates of the Department of Veterans Affairs, of the Canadian Pension Commission and of the War Veterans Allowance Board.

That you will do this with the effectiveness and in the businesslike manner that has become the hallmark of this Committee, I have not the slightest doubt. And in order that I should not be held responsible for inhibiting this process in any manner, I shall restrict my remarks this morning to the essential minimum.

Of all the benefits contained in the veterans' charter, disability pensions have undoubtedly attracted the greatest attention in recent months, and quite rightly. The Committee of Inquiry established late in 1965, under the chairmanship of Mr. Justice Mervyn Woods, has been conducting, within its terms of reference, a most thorough review of the Pension Act. During the course of this review, the Committee has received a great many more representations from organizations and individuals than had initially been expected. As a consequence, Mr. Justice Woods and his colleagues have found it necessary to devote much more time than had been planned to the review of evidence and historical data. Although I obviously know nothing of the nature of the recommendations this Committee will make, I do know that it has done a great deal of research and I am confident that the report, which I hope will be completed this summer, will be of great help to me in arriving at conclusions which are of the utmost importance to our disability pensioners and their dependents.

In passing, I might add here that I had the opportunity of speaking to the secretary of the committee in Winnipeg—I believe it was yesterday or it may have been the day before—and it is hoped that this report will be completed by the end of this month or very early next month. They are holding meetings in Winnipeg today and tomorrow.

Concurrently with the inquiry being conducted by the Woods Committee, a special study has been undertaken within the Department of Veterans Affairs with regard to the basis on which disability pensions have historically been based and to the various means by which pension rates have, from time to time, been modified. I need not stress to a gathering of this kind the immense difficulties inherent in this kind of study. Indeed, it is probably not much of an exaggeration to say that there are as many different opinions on this matter as there are individuals. None the less, it remains a fact that our disability pension legislation was devised when economic conditions and other social factors were vastly different from those obtaining in Canada today. Because of this, and in view of the inquiry now being conducted by the Woods Committee into all other aspects of the pension legislation, this seemed to me the most opportune time to conduct a searching study of the matter of actual pension rates. This study will require several months more to complete but I wish to assure this Committee, and through it, our disability pension-

ers that any required adjustments in pension rates will not be held up because the study is not ready.

Your are all quite familiar with the detailed statement of policy I made in the house of commons in March, 1964, with regard to the conditions under which the government would entertain turning over the control and operation of veterans' hospitals to jurisdictions other than the federal government. You also know that, effective October 1, 1966, Sunnysbrook Hospital was transferred to the university of Toronto. From all the reports I have received to date, this transfer has proved to be of real benefit in ensuring the maintenance of treatment standards available to our veterans.

Negotiations are now virtually complete with regard to the transfer of Ste. Foy Hospital in Quebec to Laval University and discussions are well advanced with regard to the future of Lancaster Hospital at Saint John, New Brunswick. I have every confidence that, when agreements are entered into with regard to Ste. Foy and Lancaster Hospitals, this will also turn out to be to the ultimate advantage of our veterans who require hospitalization and treatment.

(Translation)

Mr. Chairman, a word now about the trip that you and your Committee colleagues made to England, France and Italy last summer. This trip allowed you not only to attend the very moving ceremonies in memory of our dead, but also to see the magnificent work done by the War Burials Committee of the Commonwealth in the too numerous cemeteries where our veterans are buried. Moreover, and perhaps even more important, this trip enabled you to discuss very thoroughly with the proper authorities the entire matter of disability pensions given to English and French veterans. The information thus acquired will undoubtedly be very useful to you in the course of your discussions.

The budgetary expenditures for 1967-68, which you will be examining, total some \$406 millions. I believe this is the highest in history. This is an increase of almost \$10 million over last year. In addition, there is an item in the loans, investments and advances section, on page 594 of the estimates to authorize an increase of \$150 million in the veterans land act fund.

The total increase of approximately \$10 million is made up as follows. The pensions votes have been increased by some \$2 million,

war veterans allowances and civilian war allowances by some \$2.75 million, construction by \$900,000 and administration, operation and maintenance by \$4.3 million of which \$3 million is attributable to treatment services. Higher salary and wage costs arising from revisions in pay rates, job reclassifications and a general provision for further salary increases of three per cent, approximately \$1.7 million, accounts for about one-half of the increase in administration, operation and maintenance expenses, while the balance is due largely to higher costs of supplies and services, particularly in the treatment program.

The increased requirements for pensions and war veterans allowances can be attributed entirely to the September 1, 1966 revisions. Otherwise, requirements for both these programs would have diminished—in the case of pensions due to the gradual decline in numbers of pensioners and dependents, and in the case of war veterans allowances because of the reduction in the age at which old age security is now payable. I might add that the extensive review made of pensions payable to Hong Kong veterans has contributed to an increase in the estimate for pensions of approximately \$900,000 in the current year.

The increased estimate for hospital construction is attributable to the reconstruction of Ste. Anne de Bellevue hospital. I expect that tenders on this project will be called early this fall.

Generally speaking, the cost of hospital and medical services continues to rise because of improved and more elaborate methods of diagnosis and treatment, in addition to the general rise in prices experienced in all areas of the economy, while the need to increase the Veterans Land Act fund reflects the extremely high level of activity being experienced in that program.

I know, Mr. Chairman and gentlemen, that I need hardly add that every assistance will be extended to you by the departmental officials here this morning who will be presented to you later by the Deputy Minister. These officials and others will be present as and when required.

• (9:00 a.m.)

It now only remains for me to thank you for this opportunity to appear before the committee and to wish you every success and godspeed in your deliberations and say, of course, that any time that I may be required to answer questions before the Commit-

tee—provided I do not have any were royal visits to look after—I will be delighted to appear whenever I can. I am particularly pleased with your Subcommittee's recommendations to refer to the departmental report and I will certainly undertake to have that report referred to you immediately so that you can dispose of the estimates and still be free to examine any section of the department at a time when it is more suitable to you.

The Chairman: Thank you very much, Mr. Minister. Before I call for questions of a general nature to be put to you I wish to bring to the attention of the committee that we also have with us this morning Mr. Don Thompson and Mr. Herbert Hanmer of the Royal Canadian Legion. We are always very happy to have you attend our meetings. I hope you will appreciate that the Veterans Affairs Committee, as I said at the beginning, is one of the most effective committees of the House of Commons and is quite responsible in doing its work as far as veterans affairs are concerned.

At this stage, Mr. Minister, I think it might be wise, in case you have to refer to some of your officials for some of the replies, to perhaps call on the Deputy Minister to introduce the officials who are present.

Mr. Paul Pelletier (The Deputy Minister): Thank you, Mr. Chairman. In order to save time I will introduce, if I may, the heads of the various boards, commissions and directorates, who in turn when their items come up can introduce the officials who have accompanied them.

We have with us this morning Mr. Anderson, whom you all know, I think, The Chairman of the Canadian Pension Commission. Mr. Cromb, the chairman of the War Veterans Allowance Board. Dr. Ritchie, Director General of Treatment Services. Mr. A. D. McCracken, representing the director of Veterans Land Administration who is presently attending the biannual convention of the Ontario Provincial Command of the Royal Canadian Legion. Mr. C. S. T. Tubb, acting director general of Veterans Welfare Services; Mr. Walsh, director of Financial Management; Mr. Reynolds, director of Legal Services and Chief Pensions Advocate; and finally, Mr. Black, the Departmental Secretary.

Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Pelletier. The floor is open for questions. Mr. Herridge, Mr. Énard and Mr. Chatterton.

Mr. Herridge: When the Minister mentioned the reference of the departmental report to the committee to leave it open to discuss any aspects of departmental administration, I presume he also meant in order to hear from veterans organizations at an appropriate time?

Mr. Teillet: As I understand it—and this is a matter for the committee, of course, to decide—and as far as I am personally concerned, I believe that would be completely in order. I can only refer the report to you to give you an opportunity to deal with it. The committee is entirely free, of course, at its discretion—

Mr. Herridge: Mr. Chairman, I take it, then, you give your blessing to the committee's—

Mr. Teillet: I would be disappointed if they did not do that.

Mr. Herridge: Thank you.

The Chairman: Also, Mr. Herridge, a definite intention is mentioned in the sub-committee report which was adopted this morning.

(Translation)

The Chairman: Mr. Émard.

Mr. Émard: Mr. Minister, just a little while ago you said that you were soon going to offer tenders for construction of the hospital at St. Anne de Bellevue; can you tell us approximately when construction will start?

Mr. Teillet: Dr. Ritchie, you may be more familiar with that than I am.

Dr. K. S. Ritchie (Director General of Treatment Services): Yes. We should go to tender either late in September or early October. We hope that construction will start late this year or early next year.

Mr. Chatterton: Mr. Chairman, I have a number of questions which may be answered by the officials, but if they are not answered by the officials I will defer them until the next time the Minister comes before the committee. He has indicated that if invited he will come again.

Can the Minister say whether the departmental committee's report on the basis of establishing pension rates will be referred to this committee?

Mr. Teillet: That is a difficult question for me to answer at the moment. I think I would

be wise to defer a decision on that matter until I have the report in my hands. I do not know the nature of the report. It may be similar to the Woods' committee. I am sure you have that in mind as well. I think I will defer a decision until I have the report. I will then have to decide whether it would be wiser to propose legislation to parliament on the basis of the report, which could then be examined by the committee, or to refer the report directly. In any event, the report would be available to the committee. Whether I would refer it directly for study and recommendation is something which must wait until I have the report on hand before I can reach that conclusion.

Mr. Chatterton: But in due course that report will be made available?

Mr. Teillet: Oh, it will be available, yes.

Mr. Chatterton: Can the Minister say whether he or the department is now considering the possibility of removing the half acre minimum under the provisions of the Veterans Land Act?

Mr. Teillet: We have under consideration at the moment—and correct me if I am wrong—giving the director some measure of discretion within certain limits. The conclusion is not yet final on that.

We have no intention of reducing that minimum of half an acre. In special circumstances this is presently done in the case of certain pensioners who have disabilities, and so on, but we now have to do it by order in council. We hope that we can reach a formula that will give the director sufficient discretion to do this on his own without having to refer it to the governor in council. This is the area that we are now examining, but at the moment we have not reached a conclusion on that.

Mr. Chatterton: Can the Minister say that when the deadline under the Veterans Land Act for veterans to become qualified is reached, which shall be at the end of October of this year—

Mr. Teillet: No, 1968.

Mr. Chatterton: I am sorry, 1968. If by that time it is evident that there are many veterans who could not become qualified for various reasons, would the Minister consider extending that deadline?

Mr. Teillet: I would have to say that at this moment I have no intention of doing that, but

naturally I cannot commit a decision a year in advance.

Mr. Chatterton: Thank you, sir.

Mr. Martin (Timmins): With regard to the war veterans allowance, is there any estimate of how much this particular item is going to be reduced by virtue of elderly pensioners qualifying for the supplementary increase of the old age security? I will give you a specific example. I had a letter yesterday from an elderly pensioner who, by virtue of the fact that both he and his wife qualified for the initial \$30.00 a month, which meant a \$60.00 a month increase in their old age security, \$85.00 a month was cut from his war veterans allowance. The war veterans allowance was reduced from \$95.00 to \$10.00 a month. Is there any estimate of how much this is going to save on this particular item?

Mr. Teillet: I doubt if there will be any savings, but perhaps Mr. Cromb will deal with that.

Mr. W. T. Cromb (Chairman, War Veterans Allowance Board): Mr. Chairman, the guaranteed income supplement legislation has not been in effect very long, but our estimate is that there might be a saving of something like \$4 or \$5 million a year. We are now running at an annual liability of over \$105 million, but in our opinion from what we know now it would be around \$4 or \$5 million.

I would like to say something in regard to the case you mentioned where the recipients war veterans allowance was reduced. In such a case it is a matter of the veterans allowance year and he is allowed \$2,940 total maximum income, including the allowance, and if he received a retroactive award of guaranteed income supplement, then there might only be a certain margin left for the remainder of a month or so of his veterans allowance year, and at the end of the veterans allowance year he will go on and get the same income as he was getting before. He gets a war veterans allowance supplementation to the ceiling of \$245 a month.

Mr. Teillet: This figure surprises me somewhat. It was not our original estimate that there would be very, very few of our war veterans allowance recipients who would qualify for the supplementary estimate.

Mr. Cromb: Mr. Chairman, there were something like 55,000 old age security recipients who were eligible, and who were also

recipients of war veterans allowances. They were eligible to apply for the guaranteed income supplement. Quite a few thousand of them applied, and some hundreds discontinued it again when they realized there was no advantage.

Mr. Teillet: No advantage, yes.

Mr. Cromb: It is a little early for us to know exactly what the trend is, and the best we can come up with is that it will be about a \$4 or \$5 million saving on our annual liability of \$105 million.

Mr. Chatterton: A supplementary, Mr. Chairman. That figure will be substantially increased by 1970 when the old age security eligible age is reduced to 65. Is that not correct?

Mr. Cromb: Mr. Chairman, as the old age security eligibility age is decreased we will also, of course, have many other recipients coming on who are not eligible for old age security. We have a considerable number of veterans of World War II who are under age 60 but, because of incapacity or illness, they are medically declared unable to carry on in the labour market. There is quite a large number coming on war veterans allowances and they will more than offset the others.

The Chairman: Mr. Webb has a supplementary.

Mr. Webb: A supplementary, Colonel Cromb. Do you think it would be advisable to send out a directive, in the interests of the veterans, telling them not to apply for this supplement? We are getting many, many letters asking us what to do. Governments can change easily and legislation can change, and in the interests of the veterans I have advised anyone who has written to me not to apply.

Mr. Teillet: I believe this has been done. Would you explain, please, what has been done?

Mr. Cromb: Mr. Chairman, every recipient in that group was written to individually, I might say this group were all recipients of old age security and war veterans allowances—Each one received a letter which very clearly explained the situation to them. This letter was in their hands three or four days before the guaranteed income supplement booklet came out. In that letter they were advised that there would be no advantage in their applying unless their supplementation of war veterans allowances was less than \$30.00 a

month if they were single, or less than \$60.00 a month if they were married, where both husband and wife were receiving old age security. In those cases it was to their advantage to apply. In other cases it was not. They were advised to consult with their local district authority. In addition to that, I had a member of the board visit each district authority in December and January. The district authorities were thoroughly briefed and they are and were in a position to counsel them, and they can still counsel them very readily. The big thing is that before they apply recipients should consult with their district authority because in some cases it would be advantageous for them to apply.

Mr. Teillet: Mr. Cromb, I wonder if you would be kind enough—it might be helpful to the committee—to supply a copy of the letter that you sent out to the committee?

Mr. Cromb: Yes.

Mr. Chatterton: In the case where a war veterans allowance recipient becomes disqualified because of the receipt of the supplementary pension, is he advised that he retains his treatment entitlement?

Mr. Cromb: Yes, he is so advised.

Mr. Harley: Mr. Minister, the committee considered Dr. Richardson's report on the Hong Kong veterans and made certain recommendations to the department. I wish to ask you about the implementation of the recommendations that were made at that time.

Mr. Teillet: I will give you a general answer and then ask Mr. Anderson to perhaps supplement it. This was a report which was requested by the Canadian Pension Commission and when the report was received we then re-examined all the Hong Kong veterans. Incidentally, this did not require any changes in regulations at all; it was just a re-examination in the light of Dr. Richardson's report. I wonder if Mr. Anderson would perhaps explain what happened and the results of the implementation of this report?

Mr. T. D. Anderson (Chairman, Canadian Pension Commission): Mr. Chairman, as a result of the recommendations of the parliamentary committee all of the Hong Kong veterans were re-examined with the particular object in mind of ascertaining whether or not they were indeed properly assessed for their disabilities, particularly in light of the evidence which came out of the previous study

conducted by Dr. Richardson and the Pension Medical Examiners at the District Offices.

It was found that as a direct result of disabilities caused by beriberi and other distinctive factors which influenced this particular group of prisoners but not any other, these people were, in fact, not assessed as high as they should have been. As a result of that the vast majority of these people received increases in their assessments. I have some figures which I think will be of interest to you. This is material that I received from Dr. Richardson. Over 1200 of these people were examined. At the time of examination there were 100 who were in receipt of—No, I am sorry; I had better get the actual figures.

The Chairman: Gentlemen, while Mr. Anderson is looking through his papers I may say I have a copy of the letter addressed to the veterans concerning the supplement. May I have a motion to include this letter as an appendix to today's evidence?

Mr. Madill: I so move.

Mr. Harley: I second the motion.
Motion agreed to.

Mr. Herridge: May I suggest also, Mr. Chairman, a commendation to the Chairman of the Board for taking this prompt action to inform veterans.

Agreed.

Mr. Anderson: I have these figures now. The total number of survivors, as I stated to you briefly at a previous meeting of the Committee when this was being discussed, is 1276. Since that was reported and before the survey was completed, 22 had died, so this left 1254. There were four we could not locate at all, five who refused to be examined under any circumstances, and we are still dealing with five others whom we had some difficulty in locating, and so on. That makes a total of 14 on whose behalf the review has not yet been completed, leaving 1240 who were completely examined and whose claims were reviewed at that time.

At the time the survey began 100 of these people were receiving pensions at the rate of 100 per cent. We increased that number by 55 making a total of 155 now receiving pensions at the rate of 100 per cent. There were 395 receiving pensions at the rate of 48 per cent and higher and that has now been increased by 432 to 827. The average increase in the

assessment for those suffering from avitaminosis was 21 per cent and the average increase for those who were suffering from all disabilities was 21.9 per cent. There have been very substantial increases not only in the number receiving higher rates of pensions but in the rates of pensions themselves as a result of that survey.

One of the points which the Committee dealt with at that time resulted in the recommendation that all of these people be increased to at least 50 per cent. This, of course, was the recommendation that had previously been submitted by the Hong Kong veterans themselves. We found this was impractical to deal with. It was impossible to put into effect on this basis. Believe it or not, the health of some of these pensioners who are receiving very small pensions is not nearly as bad as others, and it would have meant giving that particular group something which was substantially in excess of anything that any other veteran was entitled to. I think it is generally conceded now that the arrangements which were made as a result of this survey have brought about an equitable situation for these people compared to other veterans who were prisoners during the second world war.

The Chairman: May I intervene? You said the Committee recommended that a number of these people should be increased to 50 per cent but our recommendation was not exactly in that sense. I believe we recommended that all those falling into the 35 to 48 per cent bracket be increased to 50 per cent and all those below 35 per cent get a 10 per cent increase automatically.

Mr. Anderson: Yes. That is correct. I am sorry. I should have gone into a little more detail on that.

The Chairman: Mr. Webb, do you still have a question?

Mr. Webb: While we are dealing with the Hong Kong veterans I might say that yesterday our previous chairman, Mr. Forgie, visited the House. I saw him in the gallery so I went up and spoke to him and asked him if there were anything that he thought should be brought to the attention of the Veterans Affairs Committee. He said the only thing is that is being done about the Hong Kong veterans. I assured him that action had been taken for the veterans and he was very pleased. The only other thing is that I noticed the Minister said that much of the increased cost of administration was due to drugs. I

would ask Dr. Ritchie what will be the saving, now that we expect the 12 per cent sales tax on drugs to be taken off very shortly.

Dr. K. S. Ritchie (Director General of Treatment Services): I suppose that is a fair question but I have noticed from TV and radio that anybody who has been involved in this has pretty well dodged the issue.

Mr. Harley: The answer is none, because you do not pay federal sales tax on drugs for hospital use.

Dr. Ritchie: No, but we are paying a number of outside druggists' accounts and there should be a reduction. However, I doubt very much that this reduction will keep pace with the increase in cost of drugs, so it is difficult to forecast any reduction.

Mr. Webb: Will the pharmacists increase their prices for drugs now?

Dr Ritchie: I could not say.

(Translation)

Mr. Chairman: Mr. Émard.

Mr. Émard: Mr. Chairman, now that the Government has authorized collective bargaining for public servants, I would like to know how far negotiations have progressed in the Department of Veterans Affairs. Have they begun...?

Mr. Teillet: No, I do not think so.

Mr. Émard: I have another question. You had two associations representing employees. If I am not mistaken, I think yours was the only department which had two associations representing the employees: you have the Civil Service Association and a veterans' or employees' association. I do not know the exact terminology. Have these two associations amalgamated or do you still have two associations representing your employees?

Mr. Teillet: My impression is that at the present time, all employees of the department, for bargaining purposes have associated. Would you mind explaining that, Mr. Pelletier?

Mr. Pelletier (Deputy-Minister of Veterans Affairs): In reply to Mr. Émard, I may say that there actually were three associations in the Department: there were the departmental association, there was the Civil Service Association of Canada and the Professional Institute since our department comprises a

great many professionals such as medical doctors. The first two I mentioned have amalgamated, so that now, it is true we are represented by two associations. The Public Service Alliance of Canada has the largest number of members, but there are also a certain number of our employees who belong to the Professional Institute of Canada.

Mr. Émard: What I wanted to know was whether the association included the manual labourers, in particular.

Mr. Pelletier: One only.

Mr. Cowan: Mr. Minister, I want to ask a question following on Mr. Chatterton's regarding the Veterans Settlement Act, that half-acre that is required. I understand that it was originally brought in to help in the settlement of soldiers in, you might say, outlying parts. I am the only Toronto member of this Committee and I have a number of people speaking to me about this half-acre requirement. I was at the National Capital Commission yesterday in the Gatineau Hills and I heard some complaints from General Clark about real estate developers wanting \$10,000 for a lot 100 feet by 140 feet in the Gatineau Park area. If they want \$10,000 for a lot in the Gatineau Park area you can imagine what land costs in Metropolitan Toronto. In answer to Mr. Chatterton you said that you had not yet removed the one-half acre of land requirement.

The people who are coming to me and who are very desirous of improving their housing conditions have been trying to use the Veterans Land Act to help them but they have employment in the Toronto Metropolitan area and want to be somewhere close to it. I do not like to mention Dr. Harley's name without speaking to him first but one of the persons concerned had been looking over some property in Georgetown, which is in Dr. Harley's riding, and that is quite a distance from Metropolitan Toronto. If you are considering removing the half-acre requirement can you not do it quickly because land values are rising in Metropolitan Toronto. The longer you consider it the higher the asking price goes. Several veterans who have been speaking to me would like to make a purchase in what you might call the agricultural part of Metropolitan Toronto. Up in our north-east and north-west corners they are still holding land. They say that they cannot touch it at the price of land in half acre lots. How soon

will a decision be made? Please do not tell me it is under serious consideration.

Mr. Teillet: No. I thought I had made myself quite clear. That has been considered and a decision taken. There is no question of removing the half-acre minimum.

Mr. Cowan: Then you went on to say that orders in council were being passed.

Mr. Teillet: In special circumstances, for instance a 50 per cent disabled veteran, we do make exceptions by order in council. We have heard of quite a number of these cases and rather than that we are doing now—I believe the submission has gone in—we are giving the Director a 20 per cent leeway at his discretion in special circumstances. But we did examine the question of the half-acre and we have decided we are not going to change that.

The Chairman: Mr. Webb has a supplementary and then Mr. Chatterton.

Mr. Cowan: May I continue with a direct question before the supplementary.

The Chairman: Yes, you may.

Mr. Cowan: Mr. Minister, if the veteran is 50 per cent disabled is it possible to have an order in council passed to remove this one-half acre requirement? Then you said you have given the Director a 20 per cent leeway.

Mr. Teillet: We have not. A submission is going in for that purpose but I do not believe it has been approved. I have been away for ten days.

Mr. A. D. McCracken (Director (Budget Administration) Veterans Land Act): The proposal which has now gone forward, Mr. Cowan, is that veterans who are considered by the medical officers of the Canadian Pension Commission to have a disability which is not pensionable but which is assessed at 50 per cent or more—in other words, if it had been a service disability he would be in receipt of a 50 per cent pension—in some circumstances now may be established on less than half an acre of land. It can go down to a city-sized lot. The veteran who is not in receipt of a 50 per cent or more disability pension but who has a disability that is considered to equate a 50 per cent or more disability pension will, in the proposal that has gone forward, also be able to be settled on a property of less than half an acre, down to a city-sized lot.

The other proposal that has gone forward is that in areas where land is costly and difficult to acquire—which means that it is in the urban areas—the Director be given a 20 per cent discretion vis-à-vis the half-acre, which would reduce the minimum to 17,424 square feet.

The Chairman: Would you permit a supplementary question?

Mr. Cowan: I have just one other comment. As the only member from Toronto on this Committee I want to tell you that I have not heard a single complaint about the Sunnybrook operation since the transfer and I want you to know it and I would like to make the statement publicly. I know a tremendous number of war veterans and war veterans organizations in Toronto and they certainly would be the most directly affected, although there are veterans coming in from all over Ontario, but I have not heard a single complaint from Toronto on treatment at Sunnybrook Hospital since the changeover.

The Chairman: I am sure the Minister is quite pleased with that remark.

Mr. Martin (Timmins): On that very point I might say that I have had such a complaint and it is from Mr. Cowan's riding.

Mr. Cowan: They probably know the way I defend the Liberal government and did not complain to me.

Mr. Webb: I should like to ask the Minister whether any consideration has been given permitting veterans who have purchased under the old acreage requirement to sell lots to other veterans, even veterans who have the half acre and are having difficulties. Has consideration been given to allowing them to sell a lot to other veterans only?

Mr. A. D. McCracken (Director, Budget Administration, Veterans' Land Act): At present, Mr. Webb, if a veteran has a property which is in excess of half an acre we will allow him to sell off any number of lots down to that minimum of half an acre. If he has already earned his conditional grant after ten years he can sell off below half an acre, either by selling the land and paying us off or converting to what we call a civilian purchase contract where the rate of interest is 5 per cent, and he can sell down to a city-size lot. This sale usually produces enough revenue to pay off the Director and the veteran gets title to the property. If the proposal to give the Di-

rector discretion to reduce the minimum by 20 per cent to 17,424 square feet is approved, we would be prepared to permit a veteran to sell off lots from his property down to that size.

Mr. Chatterton: I was going to reserve comment on this question until I heard the details of the new proposal but now that I have heard them I want to tell the Minister that I think the proposal is totally and absolutely inadequate and unacceptable. In the first place, Mr. McCracken knows very well the difficulties under the Veterans' Land Act at the time the minimum acreage required was two acres or three acres, depending on the value of the land. Under those provisions also the Director had the 20 per cent discretionary power to reduce the expensive land to 1.6 acres and the less expensive land to 2.4 acres. You are again going to involve the Director in this very troublesome question of using a discretionary power. It is very troublesome.

The next point is this: the new minimum, using discretionary power, will still be 17,424 square feet which is more than double—almost triple—the size of the average lot in urban areas. You are still not overcoming the problem of the high cost of land in urban areas because if the cost is too high for half an acre it is still far too high for 17,000 square feet. The average city-size lot is close to 6,000 square feet. You are still restricting the veteran to a lot three times the normal size of lots in urban areas.

Mr. Teillet: We are dealing here with the very principle of the Veterans' Land Act. We have considered this and have decided not to change the principle. This is a rehabilitation measure which is the reason we decided we should not change the principle of the Act. The Veterans' Land Act is not a housing corporation and the purpose of the discretion is to enable the Director to deal directly with matters which now require submission to the Governor in Council, which are numerous enough to be quite bothersome for him. They create a great deal of work for his department and his staff. This discretionary power is to allow him to deal directly with these matters rather than submit them to the Governor in Council. I believe that is accurate.

Mr. Chatterton: Mr. Minister I agree completely with that part of the provision which gives discretionary power to the Director rather than requiring an Order in Council.

That is common sense but my point still is that the only defence you have raised on behalf of the large lot is the question of principle.

Mr. Teillet: That is right.

Mr. Chatterton: If you can name any other point on which you can defend that position I will challenge you. That is the only point you can defend it on. The principle of the Veterans' Land Act originally was that it was a land settlement scheme. Originally the minimum was two acres of expensive land and three acres of less expensive land. That principle was abandoned completely.

Mr. Teillet: No, no; I cannot agree with you.

Mr. Chatterton: It was abandoned when the Department rightly reduced the size to half an acre because half an acre is of no use to anybody for part-time farming, which was the original intention of the Veterans' Land Act. So I say that principle has already been abandoned, and properly so. By limiting the size of the lot to 17,424 square feet, you are eliminating a great number of veterans who could use the beneficial advantages of the Veterans' Land Act. Furthermore, the question of taxation has not been raised. Municipal taxes are so high that the average veteran cannot afford to pay them on a lot of 17,424 square feet in an urban area.

I recognize, and I note what Mr. McCracken says, that this 20 per cent will be retroactive to those already established also and I realize that if the Minister removed the minimum half acre restriction today there will be a tremendous volume of work which I know the Veterans' Land Act staff could not handle if it includes those already established. My suggestion to the Director was to remove the half acre restriction completely. Let the municipality decide what is the proper size of land in certain areas. However, in view of the fact that the staff could not handle the volume of work if this were to be retroactive, initially the removal of this restriction would apply only to new settlements.

There is ample precedent for this because prior to 1960 any increased loans to the maximum amount under the VLA applied only to new settlements. That precedent was well established. At this time the Minister could say that in view of the tremendous increase in workload which the staff could not handle, the removal of the restriction will apply at present to new settlers only, because it would

be inadvisable to take on additional staff only to have to let them go in five or six years. So you could overcome that difficulty by making it applicable only to new settlements now and when your staff can handle the volume of work you could make it applicable to those already established.

Mr. Teillet: I can only assure you that this has been given very, very careful consideration and our conclusion in that it would be unwise to change the principle of the Act 20 years after the war. I do not agree with you, of course, that the principle has been changed. The decision has been made that we continue as is. I can assure you that very careful consideration was given to this before the decision was made and for the time being I must stand on that. You give me a very, very good argument. You are very persuasive. Unfortunately, after examination our conclusion was otherwise.

Mr. Chatterton: Before the deadline for new loans under the Veterans' Land Act is reached this restriction is going to have to be removed in any case, so you might as well do it now. Give yourself a few kudos.

Mr. Herridge: I just want to make a comment in fairness to the original concept of this Act. Mr. Chatterton says the principle has been abandoned completely. This is not quite correct from my experience. Of course, I represent a riding where the soil is very fertile but I know quite a number of veterans who have settled on small holdings—first the larger size, and now the half acre size—and who are supplementing their incomes with poultry, small fruit growing and other occupations which especially in the case of the older veterans they have found to be of great advantage.

Mr. Chatterton: I think this point is extremely well taken but may I point out that when you remove the restriction of half acre you still permit those who want more acreage to have more.

Mr. Teillet: Then we should have a housing act.

Mr. Webb: I should ask Mr. Herridge what income he gets from the one rooster he has.

Mr. Teillet: It is a fertile bird!

The Chairman: Are there any other questions?

Mr. Herridge: I might explain, Mr. Chairman, that rooster died 25 years before the Veterans' Land Act came into effect!

(Translation)

The Chairman: Mr. Émard?

Mr. Émard: One last question. Mr. Minister, does your department intend to make any changes or construct a new hospital at Queen Mary?

Mr. Teillet: At the present time, we are having talks with regard to Queen Mary. I cannot reply directly to the question at the present time. We intend to make certain changes and it is likely that we shall do something in this respect, but I do not believe that we have arrived at any final conclusion yet. I think a decision will have been made by the end of the summer.

Mr. Émard: But the decisions you would reach would not affect decisions which have already been made for St. Anne de Bellevue?

Mr. Teillet: No, no, in no way. The question of St. Anne de Bellevue is settled. We will reconstruct, replace the existing building and there is no question of changing that. If we do decide anything with regard to Queen Mary, the matter will be examined independently from the other situation, although, of course, there is a relationship between the two; but there is no question of abandoning the construction plans for St. Anne.

(English)

The Chairman: Since there are no other questions, on behalf of the members of the Committee, Mr. Minister, I wish to thank you for making yourself available to us this morning. I am sure the members were very happy to see you here and hope that you will come back at other times whenever you feel like it. We will carry on with our study of the estimates now and try to bring them back to the House as quickly as possible after thorough study.

Mr. Teillet: Thank you very much, Mr. Chairman and gentlemen. I will be available to you at any time if I am required.

The Chairman: As recommended by our Committee report adopted this morning we will now stand Item I and I will call Items 25 and 20 which are both on pensions. I invite Mr. Anderson to come forward and make any

comments he has. We will proceed with questioning immediately after.

20. Administration ... 3,212,000

25. Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8448 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards; Burial Grants; and Gallantry Awards (World War II and Special Force)

198,979,000
202,191,000

Mr. T. D. Anderson (Chairman, Canadian Pension Commission): Mr. Chairman, I have no specific comments on these estimates except to say we are discovering as time goes on that while the number of claims we are now dealing with is reduced somewhat—even this reduction may well be only temporary—the problems we are encountering in dealing with these claims are becoming more and more difficult. It is perhaps not too difficult to realize that so many years after the second world war the responsibility and difficulties inherent in obtaining evidence in support of claims are growing constantly. Not only that, but we are dealing now with a fairly substantial number of permanent force claims, that is, on behalf of people who are being discharged from the permanent force. At times we have files in which the claims are for as many as ten or twelve conditions. We have to deal with all these conditions. The medical advisers must deal with these cases individually and must produce the evidence which is required in order for the Commission to make a decision. All of this takes a good deal of time. The point I wanted to make, and I think it is an important one, is that we may not be dealing with quite as large a number of claims as we were ten or fifteen years ago, but the claims are a good deal more difficult to process and the volume of work is a little bit more than it was then. The volume of our work has not reduced to any appreciable extent, even though the number of claims may have been reduced. Of course, the total number of pensioners in the past few years has decreased somewhat. With reference to World War I veterans, as we might expect, the number of pensioners has decreased quite sharply and consequently the annual liability with respect to the payment

of pensions has been reduced, although pensions have been increasing. That may sound a little complicated but it is a fact that the number of pensioners has been reduced, and this applies even in the case of World War II pensioners. Consequently, had pensions not been increased our annual liability would have gone down fairly substantially. Now, with the increase in the rates which has occurred from time to time the total annual liability has gradually increased over the years.

I do not think there is anything more that I want to say, Mr. Chairman, but if there are any questions with regard to any of the items in the estimates I will be glad to try to answer them.

Mr. Chatterton: Mr. Chairman, I have been getting, almost by the year—and certainly within the last three years—an increasing number of complaints from veterans respecting the delay in the adjudication of their cases. I realize this review of the Hong Kong pensions has placed a burden on your staff and on the Commission itself. We hope, of course, that the Woods Commission Report will provide a remedy. Can Mr. Anderson give us any idea of the length of time involved and the number of cases that have not been adjudicated upon?

Mr. Anderson: Yes, Mr. Chairman. As I have just pointed out to you, these claims are becoming more and more difficult to deal with as time goes on, and hence this delay. This is to some extent the reason for the delay. The average length of time required to process these claims is about four months. Of course, there are exceptions and these are the ones that cause difficulty and the ones about which you receive complaints.

In some cases special efforts have to be made to obtain evidence, and this causes delay. We also have claims which go to appeal and when the appeal is being heard it becomes evident that additional evidence is available somewhere or that a further medical examination should be conducted in order to add to the evidence which is already available and this causes a delay. We have to await the report from the examining doctors or the doctors to whom the individual has gone to obtain the evidence. I am now speaking of the exceptional cases. There are a fair number of these, perhaps a growing number, because of the difficulty in obtaining the necessary evidence to support them. However, the usual length of time required to deal with

the average case is about four months. I would like to assure the members of this committee that any delay which occurs in the adjudication of a claim is, in most instances, to the advantage of the applicant because what we are really doing is trying to find evidence to support his claim and the hold up is due almost entirely to that single factor.

I must confess there is the odd claim which gets lost or mislaid. This happens occasionally, as it does in any business where you handle the volume of work that we are handling at the Pension Commission. But by and large most of the delays on claims which are outstanding occur because we are trying to obtain further evidence to support the claim.

Mr. Chatterton: I know that in some areas a major part of the delay is simply caused by the volume of work with which the Pension Advocates and their staff have to contend. I realize that you will not make any major changes until the Woods Commission report has been filed, but I know that this delay in many cases is caused by overwork on the part of the Pension Advocates. Could I make the suggestion to Mr. Anderson that in cases where there are fairly long delays that the applicants could be so advised. In many instances I think merely a note saying that we have not forgotten their case would satisfy the veteran because he would know either the cause for the delay or realize that the Commission was still carrying out investigations.

Mr. Anderson: In most cases they are advised. Let us take, for example, the type of delay which occurs because we wish to seek new evidence following an appeal board hearing. Certainly the applicant is aware of that fact. He is told at the hearing that further evidence will be required. Perhaps his advocate has requested a stay of the hearing in order to obtain further evidence, so that he is well aware of it at that stage.

Where there is any exceptional delay we will either get a letter of complaint from the individual or a communication from the Legion or someone speaking on his behalf, in which case we advise them of the reason for the delay. In many cases they are advised regardless of the fact there is no complaint or a request.

This is a very difficult problem, particularly when you are dealing with the volume of claims which we are required to deal with annually. This is particularly true in the case of the existing claims that we are dealing

with today, when it is so long after the war. There is so much difficulty in digging up the answers. The problems are very numerous, I can assure you. This matter is a real problem.

Mr. Webb: Mr. Anderson, I have had a few cases where veterans have applied for pension and there either was no decision arrived at or, as Mr. Chatterton said, it could have been delayed. Also, and with all due respect to Dr. Harley, on investigating these cases I have found that the doctor's report to the department is different from what he has told the patient. He told the patient that he is in terrible health and to get after the Legion or his Member of Parliament to see about a pension. When we get the report back from the department it is really a different report altogether. I do not know how you can handle this. I have had several such cases and it really upsets the people. Take the case of a wife with a veteran husband sick in the hospital and the doctor tells her that her husband should be getting a pension, there is something wrong if he is not getting it, and then when the Pension Commission gets the decision of the doctor it is a different report altogether. I do not know if there is anything that can be done to overcome this situation, but it does upset a number of people.

Mr. Harley: If I may defend the medical profession, people often read into what the doctor has said that which they want to hear, and often what they think the doctor has told them is not what he said at all.

Mr. Webb: I did not want to infer, Dr. Harley, that it was you the politician who was looking for votes!

The Chairman: That was professional advice to the Committee. Thank you, Dr. Harley.

Mr. Webb: I do not know what can be done about it but there are such cases. I was wondering if this sometimes delays decisions. The Pension Board receives the doctor's report but the patient may have a conflicting report.

Mr. Anderson: Well, we always assume that he doctor tells the truth.

Mr. Cowan: Mr. Chairman, the last line of Note 25 reads:

...and Gallantry Awards (World War II and Special Force).

I notice there is an increase forecast from \$27,000 to \$30,000 a year. Is this not an award that accompanies the award of medals or decorations, or is it an increase in pensions to people who have those medals? Is it because we are taking part in the Israeli war that we expect an increase in the gallantry awards this year?

Mr. Anderson: I rather think, Mr. Chairman, that this is a direct result of the introduction of special payment to the people who were awarded the George Cross. Is this not so? Yes I am advised it is. The other cause of the increase is that when an individual becomes entitled to war veterans allowance he receives a daily annuity if he is a holder of one of these decorations. This will cause the increase. It is twelve and a half cents a day.

Mr. Cowan: Twelve and a what?

Mr. Anderson: Twelve and a half cents a day is the rate they are paid.

Mr. Cowan: If we spend that kind of money there will not be any left for the CBC!

I was quite interested to hear your reference to the George Cross. I consider those people who have been awarded the George Cross in the highest possible regard. I understand there are only eight such people in Canada. I thought your first answer did not cover the subject, although I am certain your second answer does cover it, sir, even with squandering money at the rate of twelve and a half cents a day.

I would like to ask through the Chairman, sir, a further question. I notice the medal which the Prime Minister has announced is going to be handed out to Companions of the Order of Canada. I call it the "CooC" Order. Will gallantry awards accompany them? These medals take precedence over everything else but the Victoria Cross and the George Cross, even outranking military medals such as the Military Cross and the D.F.C. Will there be any gallantry awards with them as well at twelve and a half cents a day or less?

Mr. Anderson: As I understand it, Mr. Cowan—

The Chairman: Your question is not related to pensions.

Mr. Cowan: I am not talking about pensions. It is a gallantry award. Because this medal now takes precedence over everything

but the Victoria Cross and the George Medal, according to the original announcement, I thought it must be a gallantry award.

Mr. Anderson: The Canadian Pension Commission only pays monetary awards to those in receipt of certain specific gallantry awards and these are spelled out in the legislation. Unless they introduce a legislative measure to include these, they will not be otherwise included.

Mr. Cowan: There will not be any twelve and a half cents a day.

The Chairman: Are there any other questions, gentlemen?

Shall Items 25 and 20 carry?

Mr. Chatterton: Mr. Anderson, are you having difficulty in getting sufficient professional staff?

Mr. Anderson: We have been able to keep our professional staff up to strength and we have been able to obtain very excellent people. It has not always been easy. We have had difficulty in obtaining them at certain times, but the situation has not been hopeless. We have been able to keep our staff reasonably close to full strength. At the moment I believe our medical advisory staff is short one or two medical officers but we have competitions running and we are presently considering applicants. Although it has been difficult it has not been impossible.

Mr. MacRae: I wanted to ask Mr. Anderson about World War I pensions. Mr. Anderson, I take it there would be very few new World War I pensions going through at this particular time?

Mr. Anderson: There are still a number of applications from World War I veterans coming in regularly, Mr. MacRae. Strangely enough, we are still getting applications from World War I veterans for gunshot wounds. This is surprising but it is true. I assume these are World War I veterans who feel their disability has not been a serious handicap up to this point but they are now getting to the age where they feel they can perhaps use a little assistance and possibly their wound is beginning to affect their health more than it did previously. They are now applying for pension and it is being granted. There is no problem about it. It is almost automatic. If they apply, entitlement is granted. As I say, strangely enough we are receiving the odd

application from veterans with gunshot wounds.

Mr. MacRae: Thank you very much.

The Chairman: Mr. Herridge and then Mr. Madill.

Mr. Herridge: Is there any period of time now in which the pensions of second world war pensioners are considered permanent? What are the regulations in that respect?

Mr. Anderson: You are thinking in terms of the stabilization policy in effect for world war I pensioners, Mr. Herridge?

Mr. Herridge: Yes, that is correct.

Mr. Anderson: No. There is no firm stabilization policy with respect to world war II pensions as is the case with world war I pensions. Over the past few years we have been decreasing the number of examinations. That is, we do not call them in as frequently as we did. They are free to come at any time, if they wish, for examination and we can reassess them at that time. A few years ago we were calling them in at regular intervals, perhaps every two or three years, and reassessing them. We are not doing that any longer. The pension medical examiners have been instructed to review the files at regular intervals. When they find an individual pensioner whose pension condition may well have deteriorated since the last time they reviewed the file, then they will, in all probability, call him in and have him reassessed. But where there is a reasonably stable disability, not likely to deteriorate, some of these veterans have not been called in for many years now. This, in effect, is a form of stabilization which I think may be even more to the veterans' advantage than the regular stabilization policy we have been using with respect to world war I veterans.

Mr. Herridge: I have one more question. What is the present policy with respect to burial grants?

Mr. Anderson: There are two forms of burial grants. One is under the jurisdiction of the Department of Veterans Affairs and the other is our responsibility. But the Act, as you know, requires that a man shall not have left an estate sufficient to cover the cost of his burial before we can pay a grant. Actually, we try to be as generous as we can. For example, I suppose if we were to interpret the legislation strictly in accordance with the

wording we could not pay a burial grant if he left a house to his widow worth \$16,000 or \$17,000 because that represents a good deal more than his funeral expenses would be. But we do exempt the house. Also we exempt other money left to her up to the extent of \$5,000. I believe those are the only two exemptions.

Mr. Herridge: I am very pleased to hear that. How do you become acquainted with the deceased veteran's circumstances? Is an application required?

Mr. Anderson: When an application for a burial grant comes in, it must be completed in detail and these specific questions are asked in the application. Therefore, the information is there when the application comes in.

Mr. Madill: Mr. Chairman, my question relates to a few isolated cases where an applicant for a veterans pension qualifies for everything except the requirement for 365 days overseas. He is eliminated because he has had, perhaps, only 360 days. Is there any thought of dropping the requirement for one year's time overseas in a theatre of war?

Mr. Anderson: I think, sir, you are dealing with the War Veterans Allowance Act. This is outside my jurisdiction. Colonel Cromb could answer that.

Mr. Madill: That would come under pensions.

The Chairman: Shall items Nos. 20 and 25 carry?

Some hon. Members: Agreed.

Items 20 and 25 agreed to.

The Chairman: Thank you very much, Mr. Anderson. I am sure the members will be quite anxious to see you back with us when the Woods Report has been published and referred to us. Thank you very much.

Gentlemen, it is now 11 o'clock. We are losing our quorum and I think we should adjourn. Before we do so, I should like the members of the Steering Committee to stay for a minute. I have prepared a draft report on the trip we made to Europe last year and I would like to submit it for corrections or suggestions.

Mr. Chatterton: I wonder whether this is a good time to discuss this? Some of us have other committees at 11 o'clock.

The Chairman: It could be done later.

Mr. Chatterton: I, for one, have to go to another committee.

The Chairman: I can show it to those who are here and available. Could I have a motion to adjourn the meeting?

Mr. Harley: I so move.

Mr. Chatterton: I second the motion.
Motion agreed to.

APPENDIX «B»

WAR VETERANS ALLOWANCE BOARD

COMMISSION DES
ALLOCATIONS AUX ANCIENS
COMBATTANTS

Ottawa 4, 9 January 1967

TO: Recipients of War Veterans Allowances
and Civilian War Allowances:Re: WAR VETERANS ALLOWANCES AND
THE GUARANTEED INCOME SUPPLE-
MENT

The purpose of this letter is to provide information on the Guaranteed Income Supplement and its relationship to War Veterans Allowances, for War Veteran Allowance recipients, who are also in receipt of Old Age Security Pension.

This letter also applies to recipients of Civilian War Allowances who are in receipt of Old Age Security Pension.

As you are aware, War Veterans Allowances rates and ceilings were increased effective Sept. 1, 1966. The monthly rate for single recipient is \$105 and for a married recipient the rate is \$175. The maximum total annual income (including the allowance) is now \$1,740 for a single recipient and \$2,940 for a married recipient. On a monthly basis the War Veterans Allowance income ceiling is \$145 for a single recipient and for a married recipient it is \$245. All War Veterans Allowance recipients, who are also in receipt of Old Age Security Pension, are at the maximum income ceiling permissible under the War Veterans Allowance Act.

As the Guaranteed Income Supplement has as its aim a guaranteed income of \$105 a

month, it should be noted that a single War Veterans Allowance recipient who is also in receipt of Old Age Security Pension, is now receiving an income of \$145 a month and a married recipient, who is also an Old Age Security pensioner, is receiving an income of \$245 a month.

This group of War Veterans Allowance recipients has the choice of qualifying for the Guaranteed Income Supplement or remaining on War Veterans Allowances. Under certain circumstances, it may benefit you to apply for the Guaranteed Income Supplement. For example, if you are a single Old Age Security pensioner and have other income in an amount that results in your War Veterans Allowance being less than \$30 a month, you may benefit financially. If you are a married recipient of Old Age Security Pension and your spouse is also in receipt of Old Age Security Pension, and you have other income that results in your War Veterans Allowance being less than \$60 a month, you may benefit financially.

As you will not be able to receive War Veterans Allowance and the Guaranteed Income Supplement at the same time, you are advised to consult your local District Authority, located in your nearest Department of Veterans Affairs office, as to which choice will be the more advantageous for you.

Should you decide to apply for the Guaranteed Income Supplement, you should at once advise your District Authority in order to avoid the possibility of incurring an overpayment under the War Veterans Allowance Act.

W. T. Cromb,
Chairman.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, JUNE 13, 1967

RESPECTING

The Main Estimates (1967-68) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. R. W. Pawley, Director General, Veterans Land Administration; Mr. A. D. McCracken, Director, (Budget Administration) V.L.A.; Mr. C. S. T. Tubb, Director, Social Welfare Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,	Mr. Herridge,	Mr. Morison,
Mr. Chatterton,	Mr. Kennedy,	Mr. Ormiston,
Mr. Clancy,	Mr. Latulippe,	Mr. Rock,
Mr. Cowan,	Mr. Legault,	Mr. Thomas
Mr. Deachman,	Mr. MacRae,	(Maisonneuve-
Mr. Énard,	Mr. Madill,	Rosemont),
Mr. Fane,	Mr. Martin (<i>Timmins</i>),	Mr. Tolmie,
Mr. Habel,	Mr. Matheson,	Mr. Webb—(24).

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, June 13, 1967.

The Standing Committee on Veterans Affairs met this day at 11.05 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Boulanger, Chatterton, Cowan, Deachman, Émard, Fane, Habel, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, Morison, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (17).

In attendance: From the Department of Veterans Affairs: Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Departmental Secretary; Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. W. G. H. Roaf, Deputy Chairman, War Veterans Allowance Board; Mr. P. Benoit, Executive Assistant, War Veterans Allowance Board; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. R. W. Pawley, Director General, Veterans Land Administration; Mr. C. S. T. Tubb, Director, Social Welfare, Welfare Services; Mr. A. D. McCracken, Director (Budget Administration) Veterans Land Administration; Mr. L. T. Muirhead, Director of Budget, GTS.

The Chairman opened the meeting and asked the Committee to approve a Report of the Standing Committee on Veterans Affairs' trip to Europe in 1966. It was moved by Mr. Tolmie, seconded by Mr. Boulanger and *agreed*, that the said Report be appended to this day's Proceedings and Evidence. (*See appendix "C"*).

The Chairman called Items 5, 10 and 15, and the Committee resumed consideration of the Departmental Estimates.

After discussion, Items 5, 10 and 15 were carried.

Items 40, 45 and L115 were called and Mr. Pawley read a prepared statement.

Mr. Chatterton moved, seconded by Mr. Harley,

Agreed,—That the Statement and Graphs referred to by Mr. Pawley be appended to this day's Evidence. (*See appendix "D"*).

Items 40, 45 and L115 were severally considered and carried.

At 12.50 o'clock p.m., on motion of Mr. Harley, seconded by Mr. Legault, the Committee adjourned to Thursday, June 15, 1967.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, June 13, 1967.

• (11:08 a.m.)

The Chairman: Gentlemen, I see a quorum and I think we should proceed immediately.

Before we start on the estimates, I hope all members received a draft report on our trip to Europe last year. I hope all have read it and I will call for a motion to accept it. Following that, if there are any comments or suggestions of things to be added to the report, we will open discussion on it. Could I have a motion to accept this report and append it to today's evidence?

Mr. Tolmie: I so move.

Mr. Boulanger: I second the motion.

The Chairman: Are there any comments on the report? Would you prefer that I read it?

Some hon. Members: No.

The Chairman: Is the motion carried?

Motion agreed to.

The Chairman: We will now carry on with the study of the estimates. Next to me is Mr. Cromb and he has a short statement to make. Before you proceed Mr. Cromb could you introduce some of the people who will reply to questions on Welfare Services and Allowances. Do you have copies of the statement to distribute.

Mr. W. T. Cromb (Chairman, War Veterans Allowance Board): No, just for the Clerk.

The Chairman: I will now call upon Mr. Cromb, and then we will start questioning, mainly on War Veterans Allowances. I am calling the three votes on Welfare Services, Allowances and Other Benefits at the same time, which are votes 5, 10 and 15.

Department of Veterans Affairs
Welfare Services Allowances
and Other Benefits

5 Administration, including the expenses of the War Veterans Allowance Board \$6,452,400.

10 War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations, \$115,721,000.

15 Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates, \$2,710,200.

Mr. Cromb: Mr. Chairman, before making a brief statement on the task of the War Veterans Allowance Board and the district authorities, I would ask your permission to table the material which I am having distributed now. It consists of a table showing the number of recipients of War Veterans Allowances by wars on strength as of March 31, 1967, with the annual liability, and also a similar table dealing with recipients of Civilian War Allowances.

I would like to make a brief statement on the task of the War Veterans Allowance Board and the District Authorities in the administration of the War Veterans Allowance Act and Part XI of the Civilian War Pensions and Allowances Act.

The purpose of the War Veterans Allowance Act is to provide allowances to those otherwise eligible veterans who by reason of age or infirmity are unable to make their way in the

employment field. The benefits of the War Veterans Allowance Act apply mutatis mutandis to Part XI of the Civilian War Pensions and Allowances Act for the assistance of certain groups of civilians who performed meritorious service in either World War I or World War II.

The War Veterans Allowance Board is a statutory body which reports to Parliament through the Minister of Veterans Affairs. Members of the Board are appointed by the Governor in Council. The Board is a quasi-judicial body and is independent insofar as its decisions are concerned. The Board is administratively co-ordinated with the Department of Veterans Affairs. This number with the many services required in the carrying out of the War Veterans Allowance programme.

There are 19 district authorities across Canada, established in the offices of the Department of Veterans Affairs. This number includes the Foreign Countries District Authority located in Ottawa. The members of district authorities are employees of the Department of Veterans Affairs and are appointed by the Minister with the approval of the Governor in Council, to adjudicate on matters arising under the Act in the regions in which they are appointed. It is to district authorities that applications must be made in the first instance.

The Board acts as an appeal court for recipients or applicants who may feel aggrieved at the decision of a district authority.

The Board exercises functional control over the district authorities and directs policy which makes for uniformity in adjudications across the country.

Effective September 1, 1966, the single rates and ceilings and the married rates and ceilings were increased. The single rate was raised from \$94 a month to \$105 and the single ceiling from \$133 to \$145 a month. The married rate was increased from \$161 a month to \$175 and the married ceiling from \$222 to \$245 a month. On an annual basis, the maximum total income (including the allowance) for a single recipient is now \$1740 and for a married recipient the maximum total income (including the allowance) is \$2940.

It is of interest to note that for the fourth successive year, the number of approved applications for veterans of World War I is less than the number of approved applications for veterans of World War II. This is a trend that will continue with the passage of time.

With me today is Mr. W. G. H. Roaf who was appointed Deputy Chairman of the War Veterans Allowance Board on 24 Dec. 66 to succeed Mr. Paul B. Cross who has retired.

We will do our very best to answer questions on the work of the Board and the District Authorities during your consideration of the estimates.

The Chairman: Thank you very much, Mr. Cromb.

You may now direct your questions to Mr. Cromb or anyone else Mr. Cromb feels might reply to them. I hope we will keep our questioning, for now at any rate, on the Veterans Allowances, then after that we can go into the Welfare Services, so that we will not lose much time going from one to the other, and the line of questioning will more or less follow up more closely.

Mr. Webb: What Items are we on now, Mr. Chairman?

The Chairman: Actually the three Items are open because there are some related questions that might come up, so we are on Items 5, 10 and 15, which cover the area of Welfare Services, Allowances and Other Benefits. But, because of the fact that Mr. Cromb just made a statement on Allowances, I would hope that we would start mainly on Allowances and then after that, cover the general scope of these three Items. Are there any questions?

Mr. Chatterton: Mr. Chairman, first of all I want to say I am all for the way the War Veterans Allowance Board operates. I have had many veterans compensated by the Board, with very few complaints. May I ask Mr. Cromb what the policy of the Board is with regard to recovery from a widow when she was not aware that her husband had had assets beyond what was permitted under the Act?

Mr. Cromb: Mr. Chairman, if the widow has not been a party to a deception, she is quite guiltless in that regard. We ask her if she would care to make repayment if her husband has incurred an overpayment deliberately, but if not, she will receive the allowance without reduction.

Mr. Chatterton: Do you try to recover from her the overpayment which had been made to her husband?

Mr. Cromb: Mr. Chairman if the widow has may have some sizable assets, and she may

wish to do so on behalf of her deceased husband. She is asked if she wishes to do so, but no pressure is put on her.

Mr. Chatterton: Does the Board have discretion in that matter, complete discretion?

Mr. Cromb: That is pretty well laid down. I do not think it is a discretionary measure. She is not a party to a fraud; therefore we could not collect from her.

Mr. Chatterton: In other words, if you are satisfied she was not a party to the fraud as you call it, then you would not normally require her to pay back the overpayment?

Mr. Cromb: That is correct.

Mr. Chatterton: May I ask if the decision of the Board depends to a very large extent on the assets that she might have inherited?

Mr. Cromb: Well, if she has assets, quite sizable assets, and it was drawn to her attention that her husband had created a debt, we ask her if she would care to make restitution on his behalf. That is all; she is just asked that. If she refuses, then nothing more occurs in that regard.

Mr. Chatterton: Thank you Mr. Cromb; I will quote your words to you when I submit a certain case to you.

The Chairman: Are there any other questions? I would like to ask all the members to try to speak into the microphones when they do speak, because Translation had quite a bit of trouble last Thursday trying to hear what was said. Mr. Kennedy?

Mr. Kennedy: Mr. Chairman, I have come across a case in the last three weeks which I pursued with the Department of National Defence, and I have had a reply. It involves a man who is now 30 years of age and who, during the war was a child, or course. He picked up a thunderflash within a few yards of his home which was left there by soldiers, and lost his right hand. That fellow is receiving \$27.00 quarterly or \$9.00 per month remuneration. I have just received a letter today that says that the legal authority has ruled he should never have had a pension, that it was illegal in the first place, but was a sort of gratis grant to him. He still gets it. It seems a small restitution. Is there anything under the Canadian War Pensions and Allowances Act that would permit investigation of this case?

Mr. Cromb: No, Mr. Chairman, not under either the War Veterans' Allowance Act or the Civilian War Pensions and Allowances Act. I do not know whether the Canadian Pension Commission could be brought into that or not. He has had no service. You say this man is 30?

Mr. Kennedy: About 30 years.

Mr. Cromb: No, I do not think that anything could be done under any of our legislation.

Mr. Kennedy: It seems unfortunate. Up until now he has been able to get employment. He is a truck driver. The ordinary regulation will not allow him to pursue this, and he is in a bit of a spot now with a family. It is a pretty small amount of compensation for a man losing an arm, but of course National Defence apparently just gave a gratuity and are still paying it. But they claim he has no legal status to get anything from them anyway. I do not know the circumstances, but according to the story there were two thunderflashes left behind by the troops, and he was exposed to one as a child.

Mr. Deachman: Sir, I notice that we are still carrying on the roll one veteran from the North-West Rebellion. I just wonder, as a matter of interest, what you can tell us about him. How old is this man, and do you know anything about him at all?

Mr. Cromb: It is true he is a veteran of the North West Field Force of the Rebellion, or campaign of 1885. He is over 100 years old, and I believe is in the veterans' hospital in London. That is all I know of him.

Mr. Deachman: Thank you very much, Mr. Cromb.

Mr. Cowan: Mr. Chairman, on that same report which Mr. Deachman is referring to, I notice that under the heading of World War I we have 67 orphans. Well, World War I was 49 years ago. They would be rather middle-aged orphans by now. Can you give us any description? Are they incapacitated physically or mentally that they are being looked after by war veterans' allowance, or what?

Mr. Cromb: No, I do not think so, Mr. Cowan. There are some World War I veterans who are fairly vigorous and have remarried. We have a number of cases of fairly senior World War I veterans with children.

Mr. Cowan: At what age do you stop calling them orphans?

Mr. Cromb: Twenty-one years of age.

Mr. Cowan: That would be sixty seven people under 21 in your records, that is?

Mr. Cromb: That is right.

Mr. Cowan: You do not think a wife would be practising deceit? On a war veteran, I mean.

Mr. Cromb: That is a little outside the scope of our legislation.

Mr. Cowan: Well, Mr. Chatterton was asking about a wife who had done something.

• (10:25 a.m.)

Mr. Harley: I think we had a conversation on the telephone a little while ago about this, but I wanted to ask about some of the burial assistance that is given to widows whose husbands die while on war veterans' allowance. I understand that this assistance is available only if the person who draws the war veterans' allowance actually dies while in hospital.

Mr. Cromb: That is a matter, Mr. Chairman, that would come under another branch of the Department.

Mr. Legault: Mr. Chairman, I would like to ask Mr. Cromb a question to enlighten me as to the particular case that I do have where war veterans' allowance was given to a veteran. It so happened that the parents of the wife, who were from the Netherlands, had forwarded money after 20 years so that the couple could go out to visit. This had not been declared, and pending usage of it for the purpose for which it was intended, the husband died, and immediately the widow was cut off the allowance. She had to use part of that money, with permission from her parents, to cover the funeral expenses. But the decision of the Board was to cut her off the allowance immediately. She was advised that if it was for that purpose; to use it as such, which she did. And on return now, the conditions imposed upon this widow are entirely different and are not based on the amount of money which she did hold, which had cancelled her allowance, but on her physical condition. The lady in question must be approximately 58 or 60 years of age. But there is no consideration whatsoever. I find it hard to accept that a woman of that age should try to qualify herself for some type of employment, and not be

considered at all for the allowance which they were seeking prior to the death of her husband.

Mr. Cromb: Well, Mr. Chairman, the age for qualification is 55 years for a widow or a female veteran. So, as far as age is concerned, if she is 55 she would be quite eligible. Also, if she is medically unfit for employment she can qualify at a much earlier age than 55.

Now, so far as the financial part is concerned—and I am familiar with the case—the Act is quite specific in the amount of personal property that the recipient may have. The personal property permitted at the married rate—in her case she has children—is \$2,500. When she reduces her personal property, which she is permitted to do, at the rate of \$250 a month, she can qualify when her personal property is reduced to a level of \$2,500. But so far as her age is concerned, she would not have to have a medical examination at all if she is over 55.

Mr. Herridge: Mr. Chairman, I just want to say, or repeat, what my colleague opposite said; the work of the Board is appreciated. I find more and more that veterans understand the regulations in that. I think, on the whole, in a great number of cases, anything that has happened as against the law in the regulations is the result of a lapse of memory of a misunderstanding. I found very few cases where I thought the veteran should have known better. But I want to say that in our district they appreciate very much the visits of the officials of the Department to the more outlying areas. At one time they would go to Trail and Nelson; now they visit Kaslo at the cusp, and it saves a lot of these older veterans or widows having to travel, in some cases, 150 miles unnecessarily.

I would like to ask Colonel Cromb what the response is to the letter he sent out informing all veterans of the relationship between old age security and war veterans' allowance.

Mr. Cromb: Mr. Chairman, it was, I think, by and large remarkably good when you consider that it was written to approximately 57,000 recipients of war veterans' allowances who were also in receipt of old age security pension. It is true some of them did not follow the advice contained in the letter, but in the main it was, I think, extremely successful.

Mr. Herridge: I might mention, Mr. Chairman, that I have had two or three letters in which they expressed their appreciation of

being informed in detail of the law and the regulations, and the relationship between the two Acts.

Mr. Cromb: Thank you very much.

Mr. Chatterton: I was going to say, Mr. Chairman, that I have read a great number of letters complaining very bitterly about the war veterans' allowance being reduced if they do receive the guaranteed minimum income supplement.

Now, may I ask, Mr. Chairman, in your letter to Colonel Cromb...

• (11:30 a.m.)

Let us assume that the annual income of 2,940 paid to a married couple is a reasonable figure. Would you still consider it to be so in cases where such a couple has four young, dependant children?

Mr. Cromb: Mr. Chairman, children do not come under the War Veterans Allowance Act. It is designed for veterans, widows and orphans. Orphans are children, but they are recipients in their own right. Any income which is received on behalf of children, such as family allowance or social assistance, is completely exempted by the War Veterans' Allowance legislation if it is earmarked for the children. No moneys that are for the children are considered in assessing the amount of money that the recipients are permitted. That is, the \$2,940 is the maximum permissible annual income, but in addition to that there is a complete exemption of \$900 in casual earnings.

Mr. Chatterton: Perhaps I did not put my question very clearly. Assuming that \$2,940 plus the \$900 in casual earnings are considered to be a reasonable amount for a married couple would you still say it was a reasonable maximum income for such a couple with four young, dependent children?

Mr. Cromb: Mr. Chairman, the children of war veterans' allowance recipients are entitled to, and enjoy, the full scope of the social legislation for assistance to children, free from any assessment by the War Veterans Allowance Board.

Mr. Chatterton: Surely a married couple with four children requires a greater total income than does a married couple without dependant children. My point is that assuming an income of \$2,940 plus the \$900 in casual earnings is reasonable, then, in my opinion,

there should be amendments to the act permitting a greater total income for each dependant child. This would apply only to those who receive the allowance because they are unemployable.

I note that the Assistance Fund is not your direct responsibility, but it is so totally inadequate that it becomes even more important that the maximum permissible income be raised in the case of the recipient who has dependant children. This would not cost the government any more money. It would simply permit such a couple to earn a larger total income to maintain their children.

Mr. Cromb: Mr. Chairman, the income of a married recipient in such a situation is dovetailed with the social assistance of the provinces. For instance, the province of Ontario has a maximum monthly income of something like \$300 for a family group. They also have other things, such as aid to the children. We would be paying that veteran and his wife the married rate and exempting completely what they would receive, payments to the children on a family group basis, from the province of Ontario, or from any other province.

Mr. Chatterton: Mr. Chairman, there are other provinces, such as British Columbia where the maximum income of \$2,940 precludes assistance to the children under provincial legislation. If where there are dependant children the Federal Government were merely to raise the maximum permissible income by, say, \$200, \$300 or \$400 for each dependant child it would be a more equitable arrangement.

Mr. Deachman: May I ask a supplementary question? If you did this would it not follow that provincial and municipal social assistance services would withdraw their funds? There would be no net gain to the recipient but simply a transfer of payment from one level of government to the other.

Mr. Cromb: I think, Mr. Chairman, that is essentially what would occur.

Mr. Chatterton: In British Columbia the dependant children of a couple earning this maximum income are disqualified from receiving provincial assistance. If you raise the maximum permissible income that family will be allowed to earn more money. It will not cost the government anything because they do not get any assistance from the provincial government in any case.

I would like to ask a question, Mr. Chairman, on Item 5, on the Corps of Commissionaires Services. Can Mr. Cromb explain that to us?

Mr. Cromb: No, that does not come under my jurisdiction.

The Chairman: Perhaps at this stage we could open up the scope of questioning and include Welfare Services. We have Mr. Tubb, Chief of the Social Welfare Division, with us today. Could you reply to any questions from there Mr. Tubb?

Mr. C. S. T. Tubb (Chief Social Welfare Division): Yes.

The Chairman: Do you have any special comments to make?

Mr. Tubb: No, I do not, Mr. Chairman.

If I may, I would like to introduce Mr. Bob Wood, Chief of Budget Administration, who was formerly District Administrator in Regina until about a year ago.

The Chairman: Mr. Webb, do you have a question?

Mr. Webb: I have a question relating to veterans' assets. I do not know how many there are, but there have been cases where veterans have laid aside a definite amount of money for their burial. Some even have receipts from funeral directors. I understand from the Department that this is counted as an asset. However, if these people had spent this money the Department would possibly have been required to assist them with their burial expenses.

Mr. Cromb: Mr. Chairman, each married recipient is allowed \$2,500 cash in the bank and is still eligible to qualify. In the case of a single recipient the amount is \$1,250. A recipient is also entitled to treatment and this can be ascertained through Dr. Ritchie when you are discussing his particular vote. We have known of cases where, in order to reduce his personal property to \$2,500, an applicant has expended something on a pre-paid burial. We do not consider this a proper expenditure of money.

Mr. Webb: Mr. Cromb, if these people dispose of their money and it falls back on the Department to undertake their burial expenses I do not really see the point.

Mr. Cromb: I am wandering into someone else's territory, perhaps, but there is the Last Post Fund which is also available to veterans.

The Chairman: Are there any other questions?

Mr. Chatterton: Mr. Chairman, may I ask a question of Mr. Tubb? Could he give us an explanation of the \$37,000 for the Corps of Commissionaires Services? Is this a contract under which they perform services for you?

Mr. Tubb: This is the purchase of commissionaires' services at, I think, seven of our district offices.

Mr. Chatterton: Mr. Tubb what is the maximum monthly allowance under the Assistance Fund?

Mr. Tubb: Permissible?

Mr. Chatterton: Yes.

Mr. Tubb: The maximum amount that a married recipient can receive is \$840 a year. This has increased from \$360 a year in 1964, consequent on the amendments to the ceilings.

Mr. Chatterton: Am I correct that the allowance under the Assistance Fund combined with the allowance under the War Veteran's Allowance Act must not exceed the maximum permissible income?

Mr. Tubb: That is correct.

Mr. Chatterton: Does that \$840 apply regardless of the number of dependants? It is not made on the basis of so much per dependant?

• (11:40 a.m.)

Mr. Tubb: When we calculate need, Mr. Chatterton, we take into account the food needs of dependant children. There is no other calculation concerning children when we are dealing with a monthly supplement. If we are dealing with a need for emergency assistance then one of the items for which we can provide is the care of children, and this might include textbooks, travelling costs to school and things of that nature, as well as clothing.

Mr. Chatterton: The maximum allowance can never exceed the \$70 per month?

Mr. Tubb: That is correct.

Mr. Chatterton: May I just say that I think the increase from \$360 to \$840 was a good move, but I still think that the point was missed in that the amount allowable should be based on the number of dependent children. It would be more equitable if the amount of the allowances was based partially on the number of dependant children. Regardless of whether

a couple have two or six children, the maximum they can receive is still \$840 a year.

Mr. Tubb: Yes. Perhaps you might be interested in this comment. In 1964 we were meeting the established needs of slightly over 50 per cent of the married recipients. We are now meeting the established needs of about 80 per cent.

Mr. Chatterton: May I ask for a definition of "established needs"?

Mr. Tubb: The establishment of need is based on a formula which takes into account the actual cost of shelter, verified to the satisfaction of the district authority—rent, taxes, fuel, light, water and so forth; a food allowance based on the Canada Food Guide, which is up-dated periodically as far as increasing it is concerned; and clothing and personal care. These two latter amounts are arbitrarily set, but perhaps I should point out that they all compare quite favourably with the Toronto Welfare Council provisions for the same items.

• (11:45 a.m.)

Mr. Chatterton: I should just like to say that I think the officers of the Department of Welfare administer this fund in a humane and generous manner. I think the fault lies mainly in expecting a couple with four dependent children to live on \$270 a month. The fault is more with the legislation than with the administration of the Act.

Mr. Boulanger: Sometimes we receive complaints that when you have a special case to study there is too much delay in giving an answer. This is about the only complaint we hear. Is it because your staff is too small to handle the enquiries? Why do people complain that it takes three months for an answer which should take two weeks? Can you explain this? This is the chief complaint I have received so far.

Mr. Tubb: It is very difficult to say, in the thousands of cases we deal with, what are the typical causes for delay. Certainly there are delays and sometimes longer delays than we would like to see, but perhaps I could identify a few instances that might cause delay.

There is a need, perhaps, to co-ordinate our actions with provincial or local authorities or service benevolent funds. Sometimes the questions that are raised are relatively obscure and require a fair amount of clarification and verification on the ground. But, cer-

tainly, a three month delay is something that we would look upon with abhorrence and if you run into these delays we would be pleased to have them drawn to our attention.

Mr. Boulanger: So, it is not you alone that is involved. Sometimes you have to consult others. But I have been told this many times; I have heard that complaint often.

Mr. Tubb: So far as the staffing is concerned, the rhythm of our work has a peak in the spring and a peak in the fall. It is relatively quiet in the summer and in the winter except for last winter when, of course, we had the amendments for the war veterans' allowance and GIS and so on. But we do not staff for peak periods and probably it would be wrong if we tried to do so. So it might be an association with the time of year where a case that at another time of the year might be dealt with in a short time would take a little longer.

May I add just one other point? Sometimes the matter of service qualifications enters into this. When you are dealing with the Imperials, for example and the birth records at the Admiralty, it becomes quite a project.

Mr. Boulanger: But when you receive complaints do you explain to the people the reason for the delay? Anyway, I am satisfied with your explanation.

Mr. Chatterton: This question might be construed as involving the Veterans' Land Act which we have dealt with.

The Chairman: No, we have not dealt with it yet. It is coming after this Vote.

Mr. Chatterton: This might be an appropriate time to ask it because it does involve the War Veterans' Allowance Act also. My question is this and perhaps Mr. Pawley can answer it. Has the legislation changed to permit a recipient of the war veterans' allowance to receive Veterans' Land Act benefits? Does that still apply?

Mr. Cromb: Mr. Chairman, do I understand that you are asking whether a war veterans' allowance recipient may apply for the Veteran's Land Act? Yes. There is nothing in the WVA Act against that.

Mr. Chatterton: Can I take it, then, that the receipt of the war veterans' allowance does not disqualify from benefits under the Veterans' Land Act?

Mr. Cromb: In the War Veterans' Allowance Act we have authority to administer the allowances with the permission of the settler to pay the Veterans' Land Act in order to protect his home. So far as a WVA recipient qualifying for the Veterans' Land Act is concerned, this is a financial matter which would have to be dealt with by the Veterans' Land Act people.

Mr. Chatterton: Perhaps Mr. Pawley would have a comment on that?

Mr. Pawley: Mr. Chairman, if a veteran receives war veterans' allowance, while he may apply and possibly be qualified under the Veterans' Land Act, he cannot be established when receiving the allowance. However, if the veteran was established under the Act and ultimately, for some reason or other, was in receipt of war veterans' allowance then, of course, the allowance is continued and no distinction is made.

The reason for this is that in the War Veterans' Allowance Act there is provision to permit payments monthly from the allowance but there is no provision to establish a veteran if he is already in receipt of war veterans' allowance. Our Act is for the rehabilitation of the veterans and the War Veterans' Allowance Act is really for the benefit of the burnt-out veteran, and it seems incompatible to us to give a person the advantage of the two Acts.

Mr. Chatterton: May I ask whether the preclusion of war veterans' allowance recipients from future establishment under the Veterans' Land Act is governed by regulation?

Mr. Pawley: It has been a basic policy since about 1945 that a veteran receiving war veterans' allowance cannot be established under the Veterans' Land Act. One of the prime reasons is that in our legislation a man must have a permanent job. I do not believe you can construe a war veterans' allowance as income from a permanent job. Mind you, this has been an age-old problem.

There is another aspect. Under the Veterans' Land Act, the minimum acreage and other concepts of the Act require the person normally to be established outside cities and probably outside suburban areas. I think it is generally agreed that recipients of war veterans' allowance should be close to means of transportation and other amenities which permit them to live a little better life and not be somewhat isolated in rural or semirural areas.

Mr. Chatterton: Mr. Chairman, I hope the members will not think I am joking when I explain this totally anomalous position. Where a veteran is established under the Veterans' Land Act he can become eligible for war veterans' allowance either by becoming 60 years of age with the necessary eligibility, or by way of being unemployable. In other words, he can get benefits under the Veterans' Land Act and then subsequently obtain benefits under the War Veterans' Allowance Act. But if he receives war veterans' allowance benefits first, then he cannot qualify under the Veterans' Land Act.

I am not blaming the War Veterans Allowance Board, incidentally, and I am not blaming the officials of the Veterans' Land Act either. It is this policy which has been a long standing anomaly and Mr. Pawley's description of the intent of a veteran living on land, for instance, that he must be able to handle a certain acreage.

At the last meeting we heard that a new Order in Council is being submitted which will allow the Director to decrease the acreage where the veteran has a disability, whether it is attributable to war service or not. That discretion could be granted to the Director so that argument does not apply.

Furthermore, I must point out that in many cases, particularly in the case of a veteran who receives war veterans' allowance because of unemployability, quite often he might be a young man, perhaps 35 years of age, and have four young children. If he could receive the benefits of the Veterans' Land Act to reduce his monthly rental payments, he would be in a better position to maintain his family.

If the Veterans' Land Act considers that a couple having an income of \$270 a month is not enough, then I think there is something wrong. I think it is about time this anomaly should be rectified. The same applies to an elderly couple in receipt of war veterans' allowance and maximum permissible income of \$270. They should be encouraged to use the Veterans' Land Act to reduce their rental payments and have their own place where they can have a garden and keep a few chickens. But now, as soon as a man receives war veterans' allowance benefits, he cannot qualify for benefits under the Veterans' Land Act.

The Chairman: Mr. Cromb do you have a further comment to make?

Mr. Cromb: No.

Mr. Kennedy: Mr. Chairman, I am looking at page 576. Although the overall totals re-

main fairly constant, that is the amount for last year in comparison to this year, look at line 11, Office Stationery, Supplies, Equipment and Furnishings. Last year \$70,000 was provided and this year \$121,000 is provided. Then the same item is on page 577, line No. 11, and the increase is from \$5,000 to \$10,000. Is there any explanation for this? Is it a complete overhaul of equipment or offices or what does it mean?

Mr. Tubb: The explanation is that about one-third of the typewriters in the Department are over 20 years of age and we are embarked on a planned replacement program for them. In addition to that, at the direction of Treasury Board, we have included an item of \$40,000 for furniture and furnishings which has not previously appeared. This is in accordance with the Glassco Commission Report, I suppose. It was provided by the Department of Public Works in former years.

Mr. Kennedy: Thank you very much.

The Chairman: Are there any other questions on Items 5, 10 and 15? Shall these Items carry?

Some hon. Members: Agreed.

Items 5, 10 and 15 agreed to.

The Chairman: Thank you very much, Mr. Cromb and Mr. Tubb. I will now invite Mr. Pawley and Mr. McCracken to reply to your questioning.

I now call Items 40 and 45 on Soldier Settlement and Veterans' Land Act along with Item L115 at page 594 on Loans, Investments and Advances concerning the Soldier Settlement and Veterans' Land Act.

40. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property. Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein, \$5,338,600.

45. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act \$130,000.

(S) Provision for reserve for conditional benefits, Veterans' Land Act, \$3,508,000.

VETERANS AFFAIRS

Soldier Settlement and Veterans' Land Act

L115. To increase to \$530,000,000 the amount that may be charged at any one time to the Veterans' Land Act Fund established by section 5A of the Veterans' Land Act, for the purposes of Parts 1, II and III of that Act except sections 38, 39 and 56 thereof—additional amount required, \$150,000,000.

The Chairman: We will start with a comment from Mr. Pawley and then carry on with the questioning on these three Items.

Mr. Pawley: Mr. Chairman, I have prepared a brief statement outlining salient points of VLA operations during 1966-67, including graphs similar to those made available to the members of the Committee last year, and of what our business forecasts are for the current fiscal year. I have copies of this statement with me and, if you agree, they could be distributed at this time.

Mr. Chatterton: I move that this statement become part of today's Proceedings.

Mr. Harley: I second the motion.

Motion agreed to.

Mr. Pawley: (See Appendix "D")

The Chairman: Thank you, Mr. Pawley.

Mr. Chatterton: Mr. Chairman, may I ask Mr. Pawley a question regarding the graph at Appendix I, the Number of Loan Approvals? Is the increase of 38 per cent for new loans, or for new and additional loans?

This is total loans made to farms, small holdings, new farms, and new small holdings.

Mr. Chatterton: Including additional?

• (12:07 p.m.)

Mr. Pawley: Yes.

Mr. Chatterton: Mr. Chairman, may I make the general comment that I think it is rather an exceptional achievement for the staff of the Veterans' Land Act Branch to have handled this tremendous increase in the volume of business. To my knowledge, there has been very little, if any, decline in efficiency and only a very small increase in costs. I think it is a remarkable achievement.

The Veterans' Land Act Branch from my observations is, as usual, one of the most efficient of all departments.

At the last meeting I was very critical of the Minister's refusing to remove the restrictions on the half acre and I will not go into that again. I realize the Director would be rather apprehensive that such a change might increase even more the volume of work for his staff. I am glad to see that the Director is going to have to take on more staff because there have been some unavoidable delays due to the volume of business.

May I ask the Director about the administration of the off-reserve housing program? Are the standards of CMHC going to be adhered to?

Mr. Pawley: Do you mean in new house construction?

Mr. Chatterton: Yes.

Mr. Pawley: Yes, they will in both cases; in new house construction as well as the advancing of mortgage funds for the purchase of existing houses. As an agent of CMHC, I will be responsible to make sure that they are.

Mr. Chatterton: The requirements and the standards of CMHC will have to be maintained?

Mr. Pawley: That is correct.

Mr. Chatterton: I think it is rather commendable for the Director to have taken on this additional burden. I do not think a staff of any other government department is more capable of handling this off-reserve housing project.

Mr. Boulanger: There is something I would like to ask with respect to our veterans from the Province of Quebec. It seems that they do not take advantage of this Veterans' Land Act. Is it because they know less about it, because it seems they do not take as much

interest as others. Do they not receive as much publicity about it in Quebec, because it seems to me they do not take advantage of it.

Mr. Pawley: There are several reasons, I think, sir. As far as general knowledge of the Act is concerned I think it is equally well known in Quebec as in other provinces.

We have found that the relationship between the number of loans or establishments made in given provinces is fairly comparable to the veteran population and it is not too inconsistent so far as Quebec is concerned. There is other favourable legislation in the Province of Quebec. For example, the farm loans provisions are at a very favourable rate of interest. As a matter of fact, I think I could safely say that their farm loan legislation is just as good as ours from the point of view of financial benefit to the farmer. Under the housing program there is an interest rebate.

Mr. Boulanger: You mean a provincial rebate?

Mr. Pawley: Yes, a provincial interest rebate for a person owning his house. I think this had quite an effect on the volume of business in the Province of Quebec.

Mr. Boulanger: It is not because we do not tell them about it?

Mr. Pawley: I am positive that is not the case, sir. To the extent that governments do advertise we try our best to advertise equally in the Province of Quebec and in other places.

Mr. Boulanger: Thank you.

Mr. Herridge: Mr. Chairman, first of all I want to compliment the Director and his staff for the work they have done during the past year. Also I want to thank the Director for his very informative and comprehensive report on that work.

Those of us who have been here for 22 years or more know that the Farm Credit Corporation administration and experience is based on the experience obtained in the administration of the Veterans' Land Act and the Soldier Settlement Act and I think it was a good thing it was accepted in that way.

Mr. Chairman, I have one or two questions which are more or less parochial. There are quite a number of veterans holding land under the Veterans' Land Act who are affected by developments on the Columbia River under the Columbia River Treaty. Could the Director tell us how many veterans have been affected by this treaty to date, how many

settlements have been made that were satisfactory to the veterans and how many settlements are still undecided?

Mr. Pawley: In order to answer this question as precisely as you have asked it, I will turn it over to Mr. McCracken who has had two years' experience working in British Columbia and who, I am sure, has the answers down pat for you.

Mr. A. D. McCracken (Director (Budget Administration) Veterans Land Administration): Mr. Chairman, as of today 17 veterans who were under the Veterans' Land Act and who had an active agreement—they had not yet taken title to their property—have settled with the British Columbia Hydro and Power Authority. Two of the veterans who, I believe, have settled had taken title to their property beforehand. These are the ones we happen to know of. There are four veterans who are still under VLA who have not yet settled with the British Columbia Hydro and Power Authority.

• (12:15 p.m.)

The Chairman: Does that answer your question, Mr. Herridge?

Mr. Herridge: So far. Would the witness mind informing the Committee of the method of appraisal of veterans' property by the Department—the value of veterans' property.

Mr. Pawley: I want to make sure that I understand this question, Mr. Chairman. Are you asking what method of appraisal we use to establish the amount of compensation on behalf of the veterans?

Mr. Herridge: Yes; how you proceed to value the land, its location, the buildings and the disturbance occasioned by the veteran's having to sell his property?

Mr. Pawley: I recall, I think it was two years ago, that the same question was asked, and I think possibly the same answer holds. I would like to indicate, however, that we think the veteran has a big responsibility in the ultimate settlement of any amount of compensation. Because he has all the benefits to the property and so on we like to see him enter into initial negotiations. Whether these negotiations are successful or otherwise, we will make an estimate of the value of the property to ensure that he is getting at least a fair compensation.

If the veteran and the British Columbia Hydro are miles apart, on occasion we might act as an intermediary. Generally speaking

our value is based on market—what the market pays. I can understand and appreciate, however, that in many parts of the Columbia River area it has been impossible to establish market values. On this basis, as a rule, compensation would be based on what it would cost to replace this unit in another location.

Mr. Herridge: Relocation value.

Mr. Pawley: Well, being an appraiser, I really do not know what relocation value is, Mr. Herridge, but it is just the cost of replacing the amenities offered by that unit in as comparable a location as possible to that which he has to give up. Considerable leeway has to be given here because as a rule you cannot find too comparable a location.

Mr. Herridge: No, Mr. Chairman. I realize the sort of intangibles that surround a problem like this, but can I take it for granted that wherever the veteran and the British Columbia Hydro and Power Authority have not been able to come to a satisfactory arrangement, the officials of the Department place a value on the property that would make it possible for this veteran to purchase a similar property and so be satisfactorily relocated without loss?

Mr. Pawley: We will go to the extent of placing an estimated value on the property itself. We think this is as far as we are entitled to go. If we go beyond this it is really none of our business. However, we fully appreciate that it costs money for some person to move from A to B. As a rule, the veteran himself will know how much this cost will be. He knows better than we do and we like to leave this up to him. I do not doubt that on the odd occasion probably we have suggested to him, if he is not too sure, that possibly Joe Doakes down the road got 'X' number of dollars and that maybe this is about the same amount that should apply to him. I think probably this has happened, although we like to put this responsibility on the veteran himself.

Mr. Herridge: Have you had any occasions where the veteran was unwilling to accept the offer of British Columbia Hydro and then your Department exercised its authority as a federal department of government to refuse the British Columbia Hydro expropriation?

Mr. Pawley: We have not had a single case go to expropriation. This means that of those that have been settled, both the veteran and the British Columbia Hydro have been sat-

ified with the amount of compensation paid. To date there has not been an application to take expropriation action.

Mr. Herridge: I have another question. It has been the policy of the British Columbia Hydro and Power Authority in many cases to try to expropriate all the land of any property holder, even above flood level, and this has happened in a good number of cases. Does your Branch insist that if the veteran requires it, the land he owns that will not be affected by the flood level will remain in his possession?

Mr. McCracken: Mr. Herridge, I know of about four cases in the last year where it seems to me that British Columbia Hydro was perhaps amenable to the request of the veteran or the property owner that he be permitted to retain title to the land above the high water mark or the new water level. To cite some cases, Donnelly was one; another that has not been settled yet is that of a veteran by the name of Eaton, not too far from Nakusp and the proposal that was still being mulled over when I left British Columbia was to relocate Eaton's house on land above the new high water level mark; Hankins at Graham's Landing—I think this type of thing was involved in that settlement as well. So I am inclined to believe that perhaps British Columbia Hydro is amenable to this general proposal, but this is only based on cases of which I have knowledge. Whether it is a firm plan or agreement by British Columbia Hydro, I do not know. Based on these cases this seems to be what they are prepared to do.

Mr. Herridge: Yes, I know.

Mr. McCracken: You will perhaps recall Mr. Law down at Deer Park. After some considerable writing by you and others, he was permitted to retain title to about two acres above the new high water mark.

Mr. Herridge: Yes. I know of a number of cases of VLA settlers and other veterans where they tried in the first instance to acquire the whole of the property and later they relented somewhat. I think I will give your Branch credit. In Mr. Law's case, your Branch took this matter up and he was finally able to retain the certain area of land above the flood level.

But I am concerned about this because I have been informed by another department of the British Columbia government that hundreds of United States citizens are now mak-

ing application to purchase Canadian land above the flood level for the building of summer homes and things of that sort. You cannot blame them from their point of view. I have seen a copy of letter written by the British Columbia Hydro in which the applicant was advised that when they had purchased all the property they would be informed of what was for sale.

I am very much opposed to this sort of thing. I believe these properties should go in the first instance to the original owners above flood level if they wish it and, in the second instance, to Canadian citizens. I think there has been a bit of a mellowing on that question and several agencies of government have had a hand in that. I want to know what has been done by your Department to protect the interests of veterans who are not purchasers under VLA.

• (12:25 p.m.)

Mr. Pawley: Actually, to the best of my knowledge, Mr. Herridge, I do not think we have done anything directly. We do not think it is our business to become involved with those that are not established under the Act and because there is no relationship between us, we really do not want to appear as if we are sticking our nose into somebody else's business. However, I think that indirectly we may have contributed to some successful settlements. I think that through the local welfare officers and some of the officials from Vancouver who have contacted or are being contacted by other older veterans in the area, we have given advice and helped in this manner indirectly.

Mr. Herridge: Yes. I remember on one occasion bringing this problem to the attention of the Minister because of the responsibility of the Department of Veterans Affairs for veterans and their dependents in general. Instructions were issued to one of your officials to go to Renata. You might remember the case. British Columbia Hydro had offered this veteran, who I think was about 76 then, \$14,000 as a final settlement. I advised all my veterans to stick their heels in and remain firm until they are satisfied, which they have done, and they have had some fairly satisfactory settlements. But in this case an official of your Department went to see this man personally and appraised the property, and within a month the officials of British Columbia Hydro went back to him and offered him \$4,000 more. So there has been some co-operation in that respect.

Mr. Pawley: There is one point in this connection I would like to mention, Mr. Chairman. We have found that veterans all over Canada are pretty well equipped to argue their own cases before expropriating bodies and those acquiring their property and I think they are probably a little better equipped in the Kootenay area because of the tutoring they are getting.

Mr. Cowan: Mr. Herridge is just patting himself on the back.

Mr. Herridge: No, I did not intend to do that at all.

Mr. Chairman, I know of this case particularly because the veteran himself told me all the circumstances. Someone from your Department appraised the property and then he told British Columbia Hydro that the offer was quite insufficient. They raised it \$4,000 within a month and I was very pleased to see it. I think, generally speaking, the settlements have improved as the months go by. But how many have you now that are unsettled?

Mr. McCracken: Four.

Mr. Herridge: I have seen every acre cleared in this country. I know the value of every property. Is one of those mentioned named Walton? Would you mind giving me the list?

Mr. McCracken: Kenneth McNabb, Walton, Eaton and Mr. Vigue up near Revelstoke.

Mr. Herridge: Yes. South of Revelstoke. Thank you very much.

In view of my remarks on this subject I do hope that you gentlemen will do all you can to make certain that these veterans get what they consider they are entitled to in relation to the other properties that are being purchased.

The Chairman: Are you through, Mr. Herridge?

Mr. Herridge: Momentarily, yes.

Mr. Cowan: Mr. Chairman, reverting to the question asked by the member for Mercier, inquiring whether the veterans in Quebec were aware that loans are available under this Veterans' Land Act, in looking at Appendix 1 and Appendix 2 I notice that the number of loan approvals in Quebec has increased by 9 per cent. However the amount of loan approvals increased in Quebec by 64 per cent. There is no other area in Canada where the

percentage increase between the number of loans approved and the amount of loans is so great. Does this indicate that the loans are greater per individual application in Quebec than elsewhere in the Dominion, that is, judging by Appendix 1 and Appendix 2? The figures are there. Even if a large number of Quebec veterans have not heard of the loans it looks as though those who have heard very plainly.

Mr. Pawley: Unfortunately I do not think I have the answer to that, Mr. Chairman. The loans in Quebec are not any higher than they are in other parts of the country and they are quite comparable with those in Ontario and the Maritimes. Generally speaking the loans are much higher in British Columbia.

Mr. Cowan: Is that because of Mr. Herridge?

Mr. Pawley: I cannot explain the higher increase of 64 per cent in the loan approvals except, as you indicated, that probably those who are taking advantage of the Act are taking the maximum advantage of it. Possibly the reason for this is because the provincial legislation is more favourable to those who are not getting the maximum. This is purely a guess on my part. I will analyse it to see what the answer is and I will let you know.

Mr. Cowan: Will you give a copy to Prosper Boulanger?

Mr. Pawley: Yes, I will be glad to. Nobody seems to think we might have made a mistake. However, we will let you know.

The Chairman: Are there any other questions on Items 40, 45, and L115? Dr. Harley?

Mr. Harley: Mr. Pawley, I have had several communications from veterans who are unable to qualify for grants under the Veterans' Land Act because their length of service is not quite enough, they are short a couple of days of service. Is there anything which can be done about this? I know of one case where a man—and this was near the end of the war—had no knowledge concerning future legislation and at the request of his employer he went back to civilian employment, which was war employment. A salary went with this employment and, of course, this meant that he was excluded from participating in the Veterans' Land Act because his service was not sufficiently long.

Mr. Pawley: I think, Mr. Chairman, next to the minimum acreage for small holdings, this

has probably been the most perplexing problem with which we have had to deal. It does seem unfortunate that if a man is short one day he cannot qualify for these benefits. However, even if we establish a new level we will still have people who are short one day. This has been our problem over the years. Any change in this respect has been resisted over the years and I contemplate that it will continue to be resisted.

Mr. Chatterton: Mr. Chairman, may I ask if the Order in Council dealing with the directive relating to the 20 per cent discretionary power in acreage has been passed

Mr. Pawley: No, it has not been passed. I think it is somewhere between the Minister's office and the Privy Council.

Mr. Chatterton: Assuming this Order in Council is passed, under what general circumstances would you be prepared to exercise this 20 per cent discretionary power?

Mr. Pawley: I think in circumstances where no more land could be acquired than the minimum of 17,424 square feet.

Mr. Chatterton: Would the cost of the land be a factor?

Mr. Pawley: No, I do not think so. This is too difficult to administer.

Mr. Chatterton: Would this 20 per cent discretionary power also apply to those already established?

Mr. Pawley: Do you mean may they be reduced.

Mr. Chatterton: Yes.

Mr. Pawley: Yes, by all means.

Mr. Chatterton: But if you use a 20 per cent discretionary power to enable a veteran to reduce his acreage, why would you not apply it when the cost of the land is so high that the full half acre would cost too much?

Mr. Pawley: Because the administration of this particular feature of the act is now so difficult I am frankly most reluctant to bring in any more features which are going to compound that difficulty.

Mr. Chatterton: I would have thought the Director would have learned his lesson when the 20 per cent applied previously.

Mr. Pawley: From my point of view I think it worked out quite satisfactorily. I feel com-

pelled to mention, although I do not want to open up this subject again, that I have been called so many names over this matter of minimum acreage that it is almost getting through to me. Perhaps I am some of the things they call me.

I would like to bring up a point that has not been mentioned previously and in my remarks I want to make it clear that I intend to avoid any discussion of policy. There were about a million veterans from World War II and I would guess that easily 300,000 of these veterans have mortgages of such a nature that if the minimum acreage was reduced to a city sized lot they could immediately come to the Veterans' Land Act office and say that they want these benefits. Let us say, rather than 300,000, there are only 200,000. From the point of view of a \$1,400 grant, the grant actually represents \$280 million, the legal costs incurred to acquire property would be another \$15 million, administration over an extended period would be \$10 million and interest subsidization would be another \$200 million, for a total cost to the government of nearly \$500 million.

I do not know, 20 years after the war, if this is really justified. This is a question which you will have to answer because I cannot give the answer. I have taken the attitude, primarily because we have an Act to administer, that there seems to be no logical or reasonable solution to this problem. Consequently, should there be an amendment to the Act to make it into a straight housing provision at this stage? Here again I do not really have the answer but to me it seems questionable. Therefore our only alternative is to try to do the best we can in the circumstances. If there is a 20 per cent reduction in certain circumstances when a half acre cannot be applied, does this merely establish a new level? Our Act is now being phased out. I was charged with this responsibility some three years ago and this is one of the means in trying to phase the Act out in an orderly manner.

The other feature in connection with the proposed amendments which were mentioned the other day is if a veterans' health is impaired for any good reason whatsoever, and this equates roughly with what it would be if he had a 50 per cent disability, then no minimum acreage would apply in these cases. We say to the unimpaired veteran, "If you cannot find half an acre we will accept a piece of property down to 17,424 square feet". We say to the veteran who is sick—and this is, supported—"There is no minimum acreage for you".

I do not know how many years I have fought with this problem and there are some features about this move that I really do not have a good argument against. However, in the circumstances I think it is the only course of action that could be proposed and, fallible as it may be, this is the story. Thank you, Mr. Chairman, for letting me go on record on this point because I must admit I have had a lot of brickbats thrown at me over this particular part of the legislation.

The Chairman: I am sure it is going to be useful.

Mr. Chatterton: I would like to ask the Director a question with regard to the \$500 million, I think it was, that he mentioned. That would not just represent the grant, that would also represent the loan, is that right?

Mr. Pawley: No, it is on the grant \$200,000.

Mr. Chatterton: The grant would be \$280 million.

Mr. Pawley: At \$1,400 it is \$280 million. Legal costs are estimated at about \$150 a case only for eastern Canada. So for roughly half the number, another \$15 million. Administrative costs have been estimated to increase \$1 million a year because we would have to have much larger staff to handle the business and for ten years this would be another \$10 million. I have estimated the interest subsidy at about \$1,000. This is the $3\frac{1}{2}$ per cent rate on part of the money and there is 5 per cent rate on the other part. If the government borrows money at 5 per cent—it may not be quite this much—but rounded at \$1,000 per case for 200,000 veterans this would be another \$200 million, or a total of \$505 million.

Mr. Chatterton: Mr. Chairman, it sounds like a very vast sum of money and I am glad to see that the Director has made a valiant attempt to justify his decision. However, I would bring to his attention and to the attention of the Committee that even if this sum were the total amount involved, that would be the total sum over the remaining six or seven years, over that long period, so that the annual amount would be perhaps of the order of \$70 million. I think the benefits that would accrue to the veterans would far exceed the disadvantages which the Director has outlined and it is my opinion that it will be done before very long in any event—depending on when the next election is, of course.

The Chairman: After that statement we will now hear from Mr. Herridge.

Mr. Herridge: Mr. Chairman, I would like to ask Mr. Pawley one or two further questions. I note with interest Item 45:

Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments...

When the Columbia River Treaty projects are completed there will be thousands of acres of land above the flood level from Castlegar to Revelstoke. I have been informed that there are approximately 300 veterans who would like to retire to some of these locations. Our people are inclined to get out in the wilderness rather than congregate in the cities. What are the benefits to the veteran under this provincial land settlement scheme?

Mr. Pawley: There is a straight grant of \$2,320 to a veteran who homesteads on provincial or federal land. Provided he stays there for ten years this becomes a grant, at which time in most provinces—and I think this includes British Columbia—he gets title to the land. Mr. Strojich tells me that the title is actually transferred to the Director, who holds the lease for ten years, at which time the veteran then earns the grant. Coupled with that, of course, are such matters as clearing, breaking and all the other features that go with provincial land development.

Mr. Herridge: Does the veteran get the \$2,300 grant on—

Mr. Pawley: That is right.

Mr. Herridge:—taking over the property? I know of a number of veterans who would like anything from one to five acres. Have I the Director's assurance that he would do everything possible to assist any veterans who apply for land above the flood level of the Columbia River who in many cases wish to retire to such circumstances?

Mr. Pawley: Mr. Herridge, there are two or three things in connection with this, and I would like to ask permission not to commit myself completely. In the first place the use of land for this purpose is up to the province. If the provinces say they do not want it used for this purpose then, of course, we can do nothing about it.

In the second place, the intent of the provincial land legislation was to permit the opening up of new areas of homesteading, and whether or not this would apply to the beautiful

interior of British Columbia I am not too sure. It is something that I would have to think a bit about. I think you can be assured that veterans who desire this kind of establishment will be given every consideration, in keeping with the circumstances surrounding individual cases.

Mr. Herridge: Mr. Chairman, I might say that some years ago I had correspondence with the provincial government, who were quite willing at that time to have from one acre up transferred to veterans under this provision. Therefore, I think I am fairly well justified in starting a campaign to get veterans settled on Canadian soil.

The Chairman: This seems to conclude our questioning.

Mr. Chatterton: May I make one brief comment in reply to the Director's argument for

refusing to remove restrictions? I know this is not his concern, but it is the concern of the government. The Director estimated that 200,000 additional veterans might use the VLA. I would point out for the record that these 200,000 veterans would have to repay their reestablishment credits to the government. Therefore, the government would recoup something like \$100 million from these veterans.

Items 40, 45 and L115 agreed to.

The Chairman: I would like to thank Mr. Pawley, Mr. McCracken and all the other officials who appeared before us this morning. I notified Mr. Ritchie and Mr. Muirhead to attend this meeting in the event we reached their vote, but I think we will have to leave that until our next meeting on Thursday. I think we should adjourn at this time.

APPENDIX "C"

STANDING COMMITTEE ON VETERANS
AFFAIRS

REPORT ON TRIP TO EUROPE

1966

During the session 1966-67, the Standing Committee on Veterans Affairs, in its attempt to gain the greatest efficiency and in order to cope with the problems placed before it, requested permission from the House of Commons to proceed on an informative trip to five European countries, for the following purposes:

1. Tour some of the Canadian war cemeteries and memorials in France, Italy, Holland, Belgium, England, and obtain on the spot information about the work of the Commonwealth War Grave Commission, to whom Canada contributes approximately \$530,000.00 annually.

2. Visit some of the allied battlefields of the two great wars and attend the commemorating ceremonies of the 50th Anniversary of the Somme Battles, as part of an official Canadian delegation.

3. Obtain detailed information about veterans benefits in those countries, to be used as a basis for an eventual general study of the Canadian Pension and Allowance system.

4. Meet the representatives of the Canadian Veterans Association of the United Kingdom; appear at the British Commonwealth Ex-Service League Convention in London, and visit the Headquarters of the World Veterans Federation in Paris.

The trip was very successful and most beneficial to the members of the Committee, who had an exceptional opportunity to expand their knowledge by exchanging views with officials of other countries and foreign veterans associations about the veterans' welfare. Representatives of the Royal Canadian Legion and the Army, Navy and Airforce Veterans Association have accompanied the group and have already expressed publicly their appreciation for the work of the Committee during the trip and for the advisability of such an initiative.

Even though the amount of money received by our war veterans might be higher than

what is given in those European countries, it was the general feeling that the Committee should undertake a more detailed comparative study of the basic philosophy between the different systems. It is not the intention of this report to make a complete analysis, or to underline all the particular points that might have impressed one or another member of the Committee, but it might be useful to pinpoint some of the main items which seemed to arouse greater interest among the group.

In the French system, the presumption described as a particular procedure for eligibility might be an alternative solution to the controversy that does exist in this country as to the interpretation and definition of the "benefit of the doubt" clause. Also, the relation of pension to the salaries of civil servants could represent a first step towards the readjustment of the basic rate and the establishment of an automatic cyclical review of pension rates. Finally, the possibility of benefits over and above the 100% disability has impressed most of us, and it might be worthwhile to examine also more closely the French system of appeal, which includes a double-level jurisdiction and a possibility to appeal to a Supreme Court.

The philosophy behind the British system of pensions differs from the Canadian system, insofar as it relates more directly the total benefit received by the pensioner, to his actual needs. The entitlement to a pension allows the veteran to receive a basic pension, to which are added allowances for: wife, children, education of children, constant attendance need, unemployment, occupational severe disablement, age, wear and tear of clothing, etc.; plus an addition for rank. Members might have some doubts as to the advantage of this system over ours, but a few of us thought that a thorough examination of this allowance system might permit us to evaluate, whether our benefits are related to the real need between one class of pensioner and another. The appeal system in the U.K. is also different from the Canadian version, as it provides for the hearing, by Pensions Appeal tribunals, of appeals against ministry decisions on entitlement and assessment. These tribunals are outside the direct jurisdiction of the ministry and their composition could be an appropriate alternative to that of our Canadian appeal boards.

Many other points impressed the members of the Committee, either during these briefings, or during personal conversations with officials of the Ministère des Anciens Combattants et Victimes de guerre and the Ministry of Pensions and National Insurance, as well as in exchanges with the many representatives of different veterans associations that we had the opportunity to meet in the five countries, who also showed great interest in the Canadian pension and allowance system for veterans.

While visiting the headquarters of the World Veterans Federation, in Paris, we were able to learn about the work and the activities of this association, which held, for the first time, its biennial Council meeting in Toronto, in May 1966. We also discussed with the Secretary General the problem of the Polish cemeteries in France and Italy. As a matter of fact, it is through the W.V.F. that, consequently, representations were made to the French and Italian authorities for the maintenance and upkeep of these Polish cemeteries in Europe. Among the publications of this association, the *Annals of Comparative Legislation*, an annual publication on the question of pensions, benefits and welfare, has received the attention of our delegation, as it includes many very interesting articles relating to specific studies which are made by, or for, the W.V.F.

Throughout the tour, we met with the representatives of the Commonwealth War Grave Commission and were briefed on the work and problems of this organization, at each of their regional headquarters. It would be very difficult to put into words how greatly impressed were the members of the Committee, by the standard of upkeep of our war cemeteries and the state in which they are maintained by the C.W.G.C., which by the way celebrated its 50th anniversary of existence on the 21st of May, 1967. It might be of interest to note that our group was the first Canadian delegation to tour the Canadian cemeteries in Europe, thereby enabling us to witness, on the spot, the care that is given to each and every one of the tombs of our Canadian soldiers, who lost their lives in war,

all over the world. Our visit was an encouragement to those who are responsible for that work, and who have been doing it with veneration during half a century. The officials of the C.W.G.C., at all levels, did not miss one opportunity to express their appreciation to the Committee for having taken this first initiative of an official visit to the Canadian cemeteries and memorials abroad, for the past fifty years.

During our stay in London, in addition to visiting the headquarters of the Commonwealth War Grave Commission, and meeting the representatives of the British Commonwealth Ex-service League, we extended an opportunity to the Executive of the Canadian Veterans Association of the United Kingdom, to meet with us and to present a brief which was mainly related to war veterans allowance, and "the twelve months residence in Canada" clause, applicable prior to being able to draw the allowance outside of Canada. We know that since then, Lt-Col. Victor Jones, has been in correspondence with the Minister of Veterans Affairs about this question, and we sincerely hope that some kind of a solution will be found to eliminate, what this association calls, an injustice to the Canadian veterans in the United Kingdom and in other countries.

The Committee is very grateful to the Minister of Veterans Affairs, and to the officers of his Department in Canada and London, along with the officers of the Department of External Affairs who co-operated with us in the organization of this trip and throughout our travels. We appreciated very much the warm attention given to our group by our various ambassadors and the personnel of our embassies in Europe; and we owe a debt of gratitude to the Ministère des Anciens Combattants et Victimes de guerre of France, the Ministry of Pensions and National Insurance of U.K., the Ministry of Defence of Italy, the heads and personnel of the Commonwealth War Grave Commission, the Netherlands War Grave Committee, the World Veterans Federation, and all those who were more or less involved in our activities during that trip.

APPENDIX «D»

STATEMENT TO
THE STANDING COMMITTEE ON
VETERANS AFFAIRS
respecting the
Estimates (1967-68) of The Veterans' Land
Administration
by
Mr. R. W. Pawley,
Director of The Veterans' Land Act

Mr. Chairman, I have prepared a brief statement outlining salient points of V.L.A. operations during 1966-67, including graphs similar to those made available to the members of the Committee last year, and of what our business forecasts are for the current fiscal year. I have copies of this statement with me and, if this should be agreeable, they could be distributed to the members now.

When the Committee considered the Estimates for V.L.A. last year, I forecast that our workload for 1966-67 would increase by 30 percent or more over the previous year. In fact, the number of loans made increased by 37.7 percent. Loan approvals totalled just under \$88,000,000 and loan funds disbursed rose 62 percent to \$83,660,000. There was also a further and even more substantial increase of 116 percent in the number of veterans qualified.

In the overall, last year was the most active in respect to the volume of operations since 1946-47. I do not believe there is any doubt that this was attributable to the amendments made to the Act in 1965. As shown on the various graphs, our increased business was general in all Regions, with the largest occurring in Ontario where 51 percent more loans were approved last year than in 1965-66.

Mr. Chairman, I do not wish to bore yourself and the members with figures. It might be of interest, however, if I were to give round comparative figures for the main categories of loans made in 1965-66 and 1966-67:

	1965-66	1966-67
New farm establishments	260	270
Additional loans to farmers already settled	1,550	2,050
New small holding and commercial fishing establishments	2,800	4,200
Additional loans to small holders and commercial fishermen already established	2,000	2,700
TOTAL	6,610	9,220

For the current fiscal year, I consider our loan operations will equal those of last year—except for new small holding establishments which are expected to increase 12 percent to 4,700. Insofar as qualification activity is concerned, I anticipate there will be a further increase of approximately 25 percent and that we will issue certificates this year to 20,000 veterans.

At the meeting last year, I mentioned various steps that had been and would be taken to simplify reports, streamline procedures and make the most effective use possible of our human resources. Notwithstanding the increase in business predicted, it was our objec-

tive to provide as good or better service to veterans than was extended in the past. As a result of these actions, and to the continued dedication and high work production of all personnel, this objective was attained.

Further administrative streamlining is constantly under review but on a controlled basis to prevent any confusion. By establishing a five-man team at Head Office, and by using the D.V.A. files, we have reduced the time for qualifying a veteran considerably and have made available more time for field staff to devote to the actual job of establishment. In addition much paper work has been eliminated and by use of rapid communications this

may result in an overall saving of costs. Changes in our appraisal techniques, the encouragement of basic plans for construction and possibly the setting of legal closing dates for property acquisition are other features that are being implemented.

For the various reasons mentioned a few minutes ago relating to improved systems and management methods, we were able to handle last year's considerable volume of business with a staff less than 2 percent greater than in 1965-66. Having regard for the increases again foreseen this year in qualification and small holding settlement workload, I expect we will find it necessary to engage a further small number of additional staff.

You will observe in the Estimates that the amount of Vote 40 for 1967-68 is some \$510,000 higher than the figure shown for last fiscal year. In fact, our total administrative costs last year were \$5,075,000. The reasons for the further increase this year are: higher salary costs as a result of the general classification program and salary increases; the additional staff we have employed and expect to engage; and increased costs for legal agents employed to search title in Provinces east of Manitoba consistent with the increase in small holding establishments.

Vote L 115 of the Loans, Investments and Advances section of the Estimates is for the purpose of increasing by \$150,000,000 the Veterans' Land Act Fund—which is a Revolving Fund and which was established at \$380,000,000 by the legislative amendments

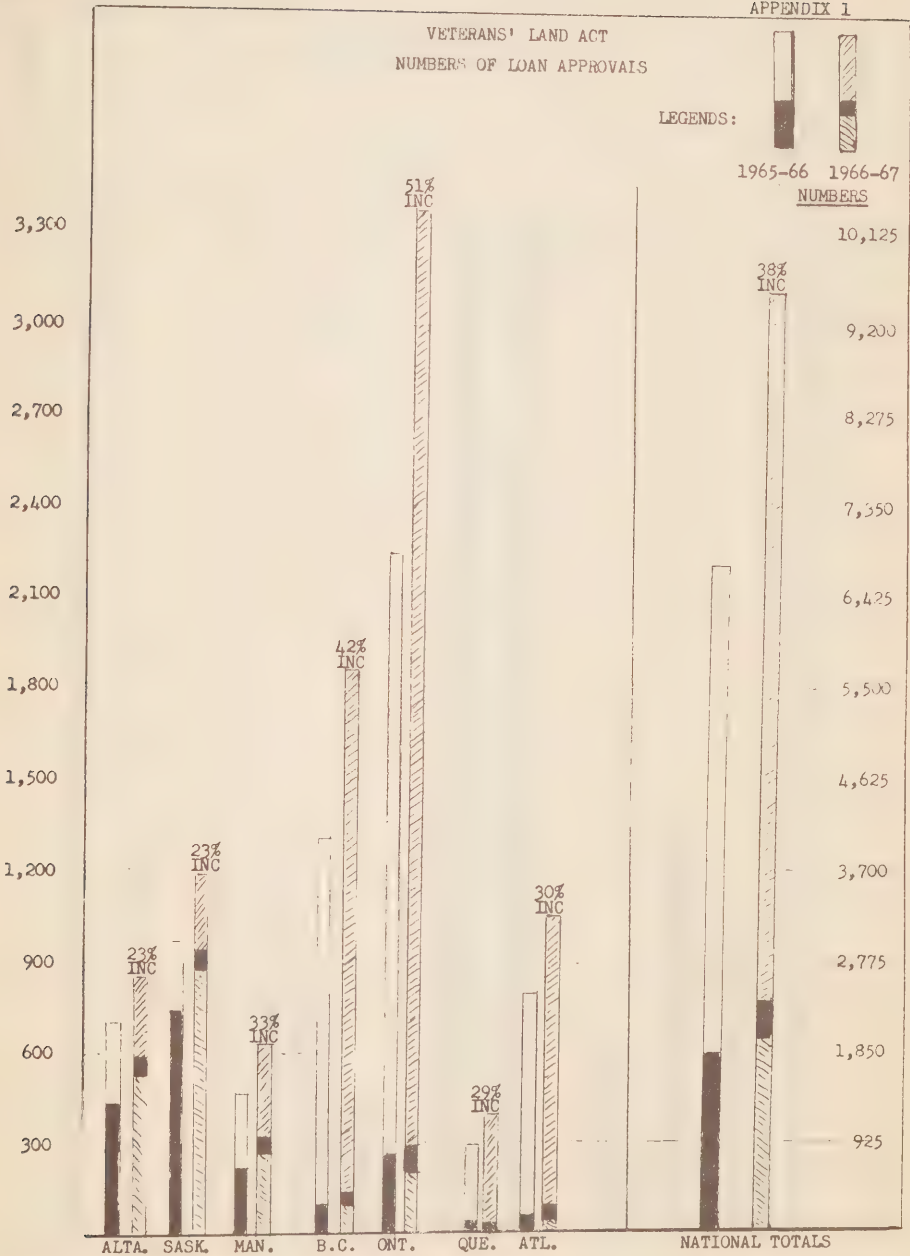
enacted in 1965. I believe Appendix 5 attached to this statement adequately indicates the charges and recoveries to the Fund since it came into operation 1 October, 1965 and the need which exists to increase it at this time.

There is one final item to which I would like to refer, Mr. Chairman, and that is in connection with the Off-Reserve Housing programme announced recently by the Minister of Indian Affairs and Northern Development. As the Hon. Mr. Laing stated, this programme will involve Indian Affairs, Central Mortgage and Housing Corporation and the Veterans' Land Administration. After the eligibility and the amount of loan is established by officials of Indian Affairs, the V.L.A. will be responsible for specific counselling, appraisal of the property, construction of any new house involved, and disbursement of the progress payment or mortgage funds. To carry out these functions, I find that, in addition to being the Director of the Veterans' Land Act, I am an agent of C.M.H.C. and the Supervisor, Off-Reserve Housing for Indian Affairs. Although it is difficult to forecast at this time what volume of operations may develop in 1967-68, I am pleased at the role we have been asked to play and am confident we will be able to adequately perform our functions. My only concern is that, from time to time, I may wear the wrong hat by mistake.

I wish to thank you, Mr. Chairman, and will be pleased to answer any questions which may arise.

NUMBERS

APPENDIX 1



APPENDIX 2

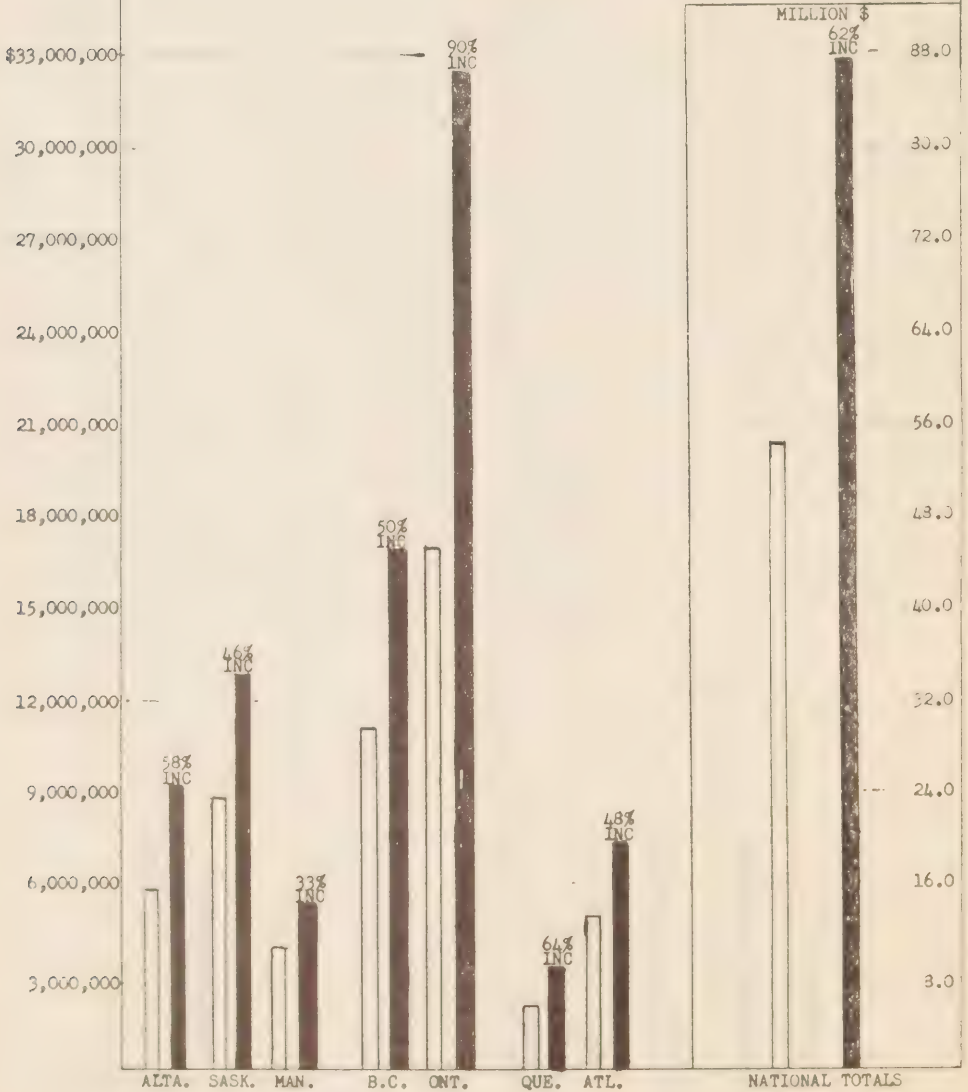
VETERANS' LAND ACT
AMOUNTS OF LOAN APPROVALS

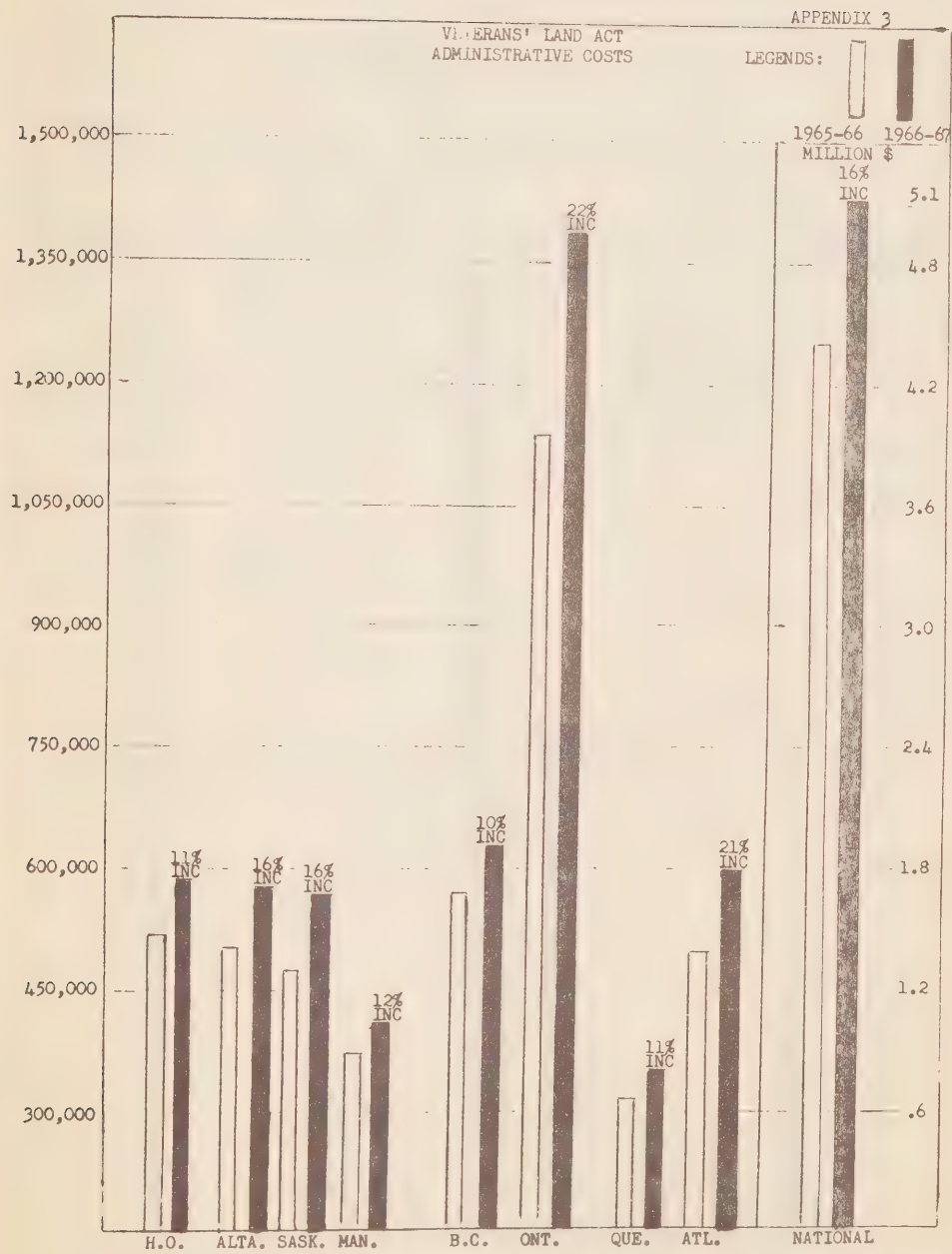
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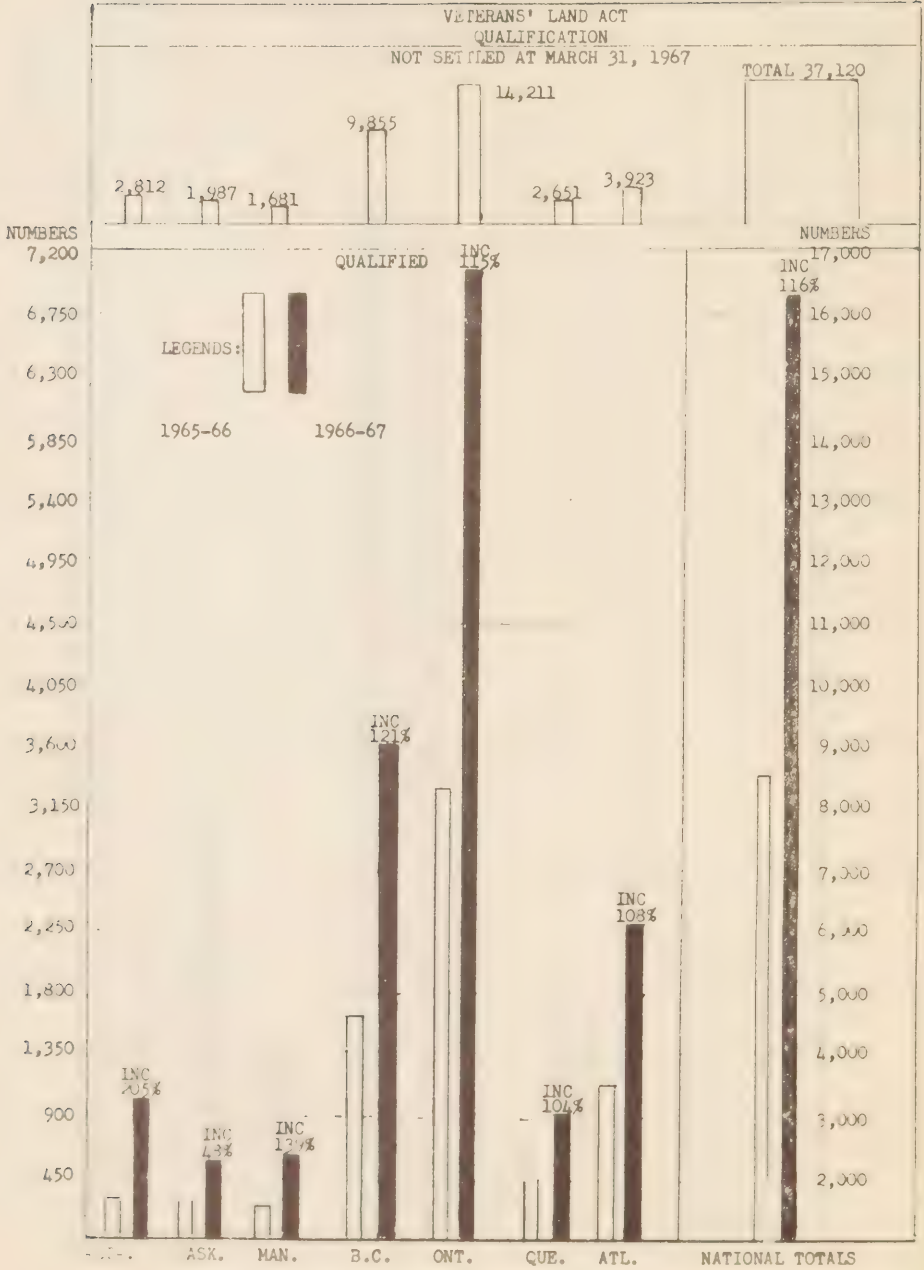
1965-66

1966-67





APPENDIX 4



APPENDIX 5

THE VETERANS' LAND ACT FUND

The Fund in the amount of \$380 million was established by section 5A of the Veterans Land Act as amended in 1965. The effective date for operation of the Fund was October 1, 1965.

Total amount of Fund	\$380,000,000
Existing Charges and Commitments October 1, 1965	281,400,000
Balance as of October 1, 1965	\$ 98,600,000

Advances and Commitments		
October 1, 1965 to March 31, 1966	\$31,300,000	
Credits to Fund October 1, 1965 to March 31, 1966	16,600,000	14,700,000
Balance as of March 31, 1966		\$ 83,900,000

Advances and Commitments		
April 1, 1966 to March 31, 1967	\$87,750,000	
Credits to Fund April 1, 1966 to March 31, 1967 ..	28,650,000	59,100,000
Balance as of March 31, 1967		\$ 24,800,000

1967-68 1968-69 1969-70

Estimated Commitments, in millions, for each of the next fiscal years	\$94	\$90	\$83
Estimated Credits to the Fund in each year	33	35	37
Net annual increases in charges to the Fund	61	55	46

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, JUNE 15, 1967

RESPECTING

The Main Estimates (1967-68) of the Department of
Veterans Affairs

AND INCLUDING

THE COMMITTEE'S FIRST REPORT TO THE HOUSE

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. J. E. Walsh, Director; Financial Management; Dr. C. C. Misener, Director of Administration Services; Mr. L. T. Muirhead, Director of Budget, General Treatment Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967



STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: M. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Deachman,
Mr. Émard,
Mr. Fane,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas
(*Maisonneuve-
Rosemont*),
Mr. Tolmie,
Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS

TUESDAY, June 13, 1967.

Ordered,—That the Annual Report of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

REPORT OF THE COMMITTEE

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Pursuant to its Order of Reference from the House dated June 1, 1967, your Committee has made a thorough examination of the Main Estimates (1967-68) of the Department of Veterans Affairs, including Vote L115 in Loans, Investments and Advances, and has agreed to recommend same to the House for adoption.

Your Committee was most pleased with the high degree of efficiency and understanding which mark the administration of all Branches of the Department of Veterans Affairs. The Committee commends the Minister, the Deputy Minister and the Officials of the Department for their co-operation and assistance and for the manner in which they supplied detailed answers to questions posed by members of the Committee.

Your Committee would greatly appreciate having the opportunity of examining the Wood's Report on the Work and Organization of the Canadian Pension Commission, after the said report has been published and tabled in the House.

Your Committee, while examining the Annual Report 1965-66 of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board, also plans to undergo a comparative study of all Veterans' benefits.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 1 to 4 inclusive*) is tabled.

Respectfully submitted,

GÉRALD LANIEL,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 15, 1967.
(4)

The Standing Committee on Veterans Affairs met this day at 11.05 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Chatterton, Clancy, Cowan, Émard, Fane, Deachman, Habel, Harley, Herridge, Laniel, Legault, Martin (*Timmins*), Matheson, Morison, Thomas (*Maisonneuve-Rosemont*), Webb (16).

In attendance: From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister, Mr. P. E. Reynolds, Chief Pensions Advocate, Mr. C. F. Black, Departmental Secretary, Dr. K. S. Ritchie, Director General, Treatment Services, Mr. J. E. Walsh, Director, Financial Management, Mr. L. T. Muirhead, Director of Budget, General Treatment Services, Dr. C. C. Misener, Director of Administration Services, Mr. D. K. Ward, Deputy Chief Pensions Advocate.

The Chairman called the meeting to order and read the Order of Reference referring the Annual Report (1965-66) to the Committee. Also letters from Mr. T. D. Anderson, Chairman of the Canadian Pension Commission and Mr. Lionel Hurd, Past-President of the Hong Kong Veterans Association of Canada.

The Chairman called Items 30, 35 and 38, and introduced the witnesses. The Committee resumed consideration of the Departmental Estimates (1967-68).

Items 30, 35 and 38 were severally considered and carried.

Item (1) General Administration was completed and adopted.

The Chairman thanked the Officials of the Department and read a draft Report to the House which was *adopted* unanimously.

Mr. Harley moved, seconded by Mr. Habel,

Agreed,—That the Chairman report the Main Estimates (1967-68) of the Department of Veterans Affairs as the Committee's FIRST REPORT to the House.

At 12.00 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

• (11:09 a.m.)

Thursday June 15, 1967.

The Chairman: I now see a quorum so I will call the meeting to order. Before we proceed with the study of the estimates there are a few things that I want to bring to the attention of the Committee. First, we have received from the House a new order of reference which I will read to you.

Tuesday, June 13, 1967

Ordered,—That the Annual Report of the Department of Veterans' Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the Standing Committee on Veterans Affairs.

If the Committee is agreeable, later this week I will call a meeting of the Subcommittee on Agenda and Procedure, the Steering Committee, to program our study of that annual report. Is that agreed?

Some hon. Members: Agreed.

The Chairman: Then, I have a letter that I would like to read to you which I received this morning from Mr. Anderson, Chairman of The Canadian Pension Commission concerning his appearance before the Committee this week. It is addressed to me, as Chairman of the Standing Committee on Veterans Affairs. It is to clarify a statement made by Mr. Anderson and I will read it to you.

Dear Mr. Laniel,

I have now had an opportunity to read the evidence which I gave before the Standing Committee on Thursday, June 8th. I am sorry indeed that my remarks regarding the recommendations of the Standing Committee do not convey clearly what I wanted to say. I was, I'm afraid, trying to deal with the principle involved in the question of granting special assessments rather than the details of how it might be done.

Section 28(1) of the Pension Act requires that "pensions for disabilities shall...be awarded or continued in accordance with the extent of the disability

resulting from injury or disease or aggravation thereof as the case may be, of the applicant or pensioner". Under the provisions of this section, the pensioner is examined from time to time and the disability is assessed in accordance with the extent of the said disability at the time of examination. Any change in this procedure designed to apply to any individual or group would, of course, require an amendment to the Pension Act exempting that particular individual or group from the provisions of Section 28(1).

I would appreciate very much if you could arrange to have this explanation included in the record of proceedings and evidence.

Yours sincerely,
T. D. Anderson,
Chairman.

I imagine that some of us might have the impression that the recommendation of the Standing Committee on Veterans Affairs of last year on Hong Kong veterans did not need legislation to be implemented. From this letter of explanation, it seems that it would need legislation, but if you do not mind, I will take the first opportunity to discuss this either with the Minister or the Deputy Minister and find out exactly what is happening or what could happen.

I have also another letter from the Hong Kong Veterans' Association of Canada, Quebec Branch, signed by Mr. Lionel Hurd, Past National President. It is addressed to the Chairman of the Standing Committee on Veterans Affairs.

Dear Mr. Laniel:

Several months ago the Minister of Veteran's Affairs announced that all Hong Kong Veterans receiving disability pensions would be upgraded from 10% to 20%. Can you verify if this has happened in every case?

Thanking you and the Hon. Members for all the kind consideration you have shown our Association in the past.

Yours respectfully,

Lionel Hurd,
Past National President.

I was wondering, on receiving this letter, if the Committee would be interested in asking The Canadian Pension Commission to supply the Committee with detailed information about the revision of the cases of all the Hong Kong veterans; some kind of comparative report where it would show how many of them received an increase of so much, and from what category to what category. This might be useful to the Members of the Committee, who might receive letters from Hong Kong veterans and it would certainly be useful to the Chairman of the Committee to obtain that information so that he might be in a position to reply officially to that letter from Mr. Hurd. Is it agreed that we make the request to The Canadian Pension Commission?

Mr. Chatterton: Will it be included as part of the minutes?

The Chairman: Yes. But I wonder if this can be done with today's minutes, though.

Mr. Chatterton: No.

The Chairman: When we get it. But anyway we can send copies to Members and maybe include it at a future meeting. Is that agreeable?

Some hon. Members: Agreed.

The Chairman: Agreed. I have other correspondence, but I think it should be left until the end of our meeting.

Mr. Chatterton: Are you not going to have Mr. Henderson's letter included as part of the Minutes?

Mr. Harley: It already is. You read it.

The Chairman: Yes, I read it; but when there are no tables attached, it is not as necessary. Anyway, the letter will be referred to the people taking the transcript just to make sure they got it right. So I will now call Votes 30, 35 and 38 of the Estimates on Treatment Services, which include Operation and Maintenance, Vote 30, Hospital Construction, Vote 35 on pages 584-5; and Vote 38, Treatment and Related Allowances on page 585.

We have with us this morning, Dr. Ritchie, the Director General of Treatment Services, who will appear as a witness; Mr. Muirhead, the Director of Budget, Treatment Services; and Dr. Misener, Director of Admission Services, who will reply to your questions.

Dr. Ritchie, do you have any comments to make before the members start their questions?

Dr. K. S. Ritchie (Director General of Treatment services): No, I have no general comments to make, Mr. Chairman.

The Chairman: I will now invite the Members to put their questions to any one of these three gentlemen.

Treatment Services

30. Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, 55,703,900.

35. Hospital Construction, Improvements, Equipment and Acquisition of Land, 5,947,000.

38. Treatment and Related Allowances, 2,610,000.

Mr. Deachman: Mr. Chairman, I have two or three questions to ask relative to Shaughnessy Hospital, which is located in my own constituency.

There was an arrangement made quite recently with St. Vincent's Hospital in regard to steam and a contract worked out between Shaughnessy Hospital and St. Vincent's. It was some time before a suitable arrangement could be made, I believe, and I have not been in touch with the details of that in the last little while, but I just want to ask this question. Has this been wound up satisfactorily and is the arrangement now working?

Dr. Ritchie: Mr. Chairman, I do not know whether I can confirm that the arrangement has been finalized, and that an agreement has been signed. Certainly, the general terms of the agreement have been discussed and agreed to both between the participating hospitals and the provincial government. As you have indicated, there is a proposal whereby steam will be supplied to St. Vincent's and to the Grace Hospitals in Vancouver through Shaughnessy Hospital. There was some difficulty in negotiating the terms of this and arriving at a final agreement but I think this has been completed to the satisfaction of all parties now.

Mr. Deachman: I think the problem lay in the difference in accounting procedures between the federal government and the provincial government which would have to share the cost of this. I wonder whether in principle the question of this accounting between the two had been resolved because once you had passed this gate, the resolution of a proper formula between the two seemed to present no further difficulty.

• (11.20 a.m.)

Dr. Ritchie: This was resolved. This was a question, I believe, of whether or not it would be a capital grant towards the construction or whether or not it would be incorporated in the charge per pound of steam. I think that was the difficulty and it has been resolved.

Mr. Deachman: My next question has to do with the outpatient department. From time to time, although I may say not recently, I have heard complaints that there have been very long periods of waiting for patients at the outpatient department, sometimes sitting there all day without getting treatment. I wonder whether you could comment on these complaints. I have had them from a number of sources and from responsible individuals, and I think their complaints were valid. I would like to hear your comments in regard to that.

Dr. Ritchie: Mr. Chairman and Mr. Deachman, I do not think there is any doubt that there are valid complaints of patients' having to wait long periods in any of our departmental clinics. I think this is, though, not unusual in any clinic, whether it be in a departmental hospital or a civilian hospital or, for that matter, in a doctor's office. There are many occasions when our part-time consultants are held up either in a local hospital or in their own offices and are not available during the normal clinic hours and that an appointment had been made for the veteran for a certain time of the day and he has to wait until the doctor arrives. There are other occasions, too, where the fault is not on the part of the department but possibly on the part of the veteran, who reports in without an appointment and then has to wait until possibly the afternoon when that particular clinic is held. There are long waits in all of our clinics at times but we feel that in most instances these are due to circumstances beyond our control. I know that in Vancouver some year and a half ago they instituted an appointment system where they try to make an appointment for a particular hour in order to overcome this complaint about waiting. I have not heard any criticism of this but I do not doubt that there are patients who have to wait.

Mr. Deachman: My next question relates to wage levels of staff and especially orderlies. I know this has been under negotiation and some adjustments have been made but the complaint of orderlies on the West Coast is that their rate is not comparable to rates at the General Hospital or other hospitals in the

Vancouver area are lower because of the disparity between wage rates in Eastern Canada and on the Coast. I wonder what the current position is in respect of their wages and how this problem is being resolved.

Dr. Ritchie: The matter of wages is something which is beyond our immediate control, Mr. Deachman, but it is quite true that in Vancouver our rate for nursing, orderlies and other classes is considerably below the local rate. This is because, as part of the Public Service Commission, our employees are required to be employed at rates which are national rates rather than regional rates. This, I think, can be overcome in the near future when collective bargaining is instituted. We have tried every measure possible to get approval from the Civil Service Commission and subsequently the Public Service Commission, to have a regional rate approved, not only for orderlies in Vancouver but for other employees in other areas which are high wage areas.

Mr. Deachman: What progress has been made with the question of a regional rate?

Dr. Ritchie: In the department we have established regional recruiting rates for nurses. We have, I think, in the classification of hospital laboratory technicians, managed to obtain a regional rate in two areas but this is the extent to which we have been able to obtain regional rates.

Mr. Deachman: I have one or two other questions, if I may, Mr. Chairman. One relates to the bed occupancy rate at Shaughnessy Hospital. Are there any vacant beds at Shaughnessy Hospital or are they fully occupied by veteran patients?

Dr. Ritchie: I can refer to a specific figure, but generally speaking, Shaughnessy Hospital is operating above the normal operating capacity for a general active treatment hospital. I believe it is operating at about 87 per cent occupancy. The reason it can do this is that it has a fair number of chronic care and domiciliary care patients.

Mr. Cowan: Pardon me for the interruption; the percentage is all right but what number of beds are vacant?

Dr. Ritchie: Have we a figure on that?

Mr. Cowan: Eighty-seven per cent does not mean anything unless you know the number of beds in the hospital.

Dr. Ritchie: No, Mr. Cowan, but in so far as the operation of a hospital is concerned the

percentage occupancy is the controlling factor, not the number of beds.

Mr. Cowan: I have been chairman of a hospital for 17 years. I just want to know how many beds are empty. I do not want to know if there is 13 per cent empty. I want to know how many beds are empty.

Dr. Ritchie: I have the figure.

Mr. Deachman: I am grateful to Mr. Cowan for his interventions but I do not want to take up any more time than is necessary with my own questions and I know Mr. Cowan will question the witnesses very capably when his own turn comes.

Mr. Cowan: I do not want to do it an hour later. It is a point that you have raised.

Mr. Deachman: I think, Mr. Chairman, with due respect to Mr. Cowan, I know he will get along very well when his own time comes and I am quite satisfied with the figure of 83 per cent. Mr. Cowan, perhaps you could take the matter up when the time comes along for yourself. There has been a question—

Mr. Cowan: Are you looking up the answers for me?

The Chairman: Are they available right now?

Dr. Ritchie: As of the 30th of April, Shaughnessy Hospital was 88.6 per cent occupied and it had a normal rated bed capacity of 1165 beds and the daily average inpatient strength was 1031.

Mr. Cowan: Thank you.

Mr. Deachman: Mr. Chairman, has there been any discussion of using any of the beds at Shaughnessy Hospital for civilian purposes, or purposes other than to care for veterans?

Dr. Ritchie: I am not aware of any direct approach for beds at Shaughnessy Hospital for civilian use.

Mr. Deachman: If such an approach were made, is it your belief that beds are available there for that purpose?

Dr. Ritchie: I would have to state that with the percentage occupancy that we have at the present time, there are not beds available for civilian use.

Mr. Deachman: So in the foreseeable future you do not see Shaughnessy Hospital being occupied by anybody else but veterans.

Dr. Ritchie: I do not foresee the availability of beds because the veteran population in Vancouver is increasing by about 1 per cent per annum. It looks as though this might continue to create a demand for the beds that are available at the present time.

Mr. Deachman: Thank you very much, Mr. Chairman.

Mr. Harley: Dr. Ritchie, I want to ask you several questions on Vote 30. I also have some questions on Vote 38, but I will leave those until we are dealing with that vote.

In Vote 30 on page 582 of the Estimates for your department, there are some figures about which I would like to question you. For instance, the figures for item "Hospitalization in other than Department of Veterans Affairs Institutions" went from approximately \$4 million last year to roughly \$8 million this year. Was this because of the turnover of Sunnybrook Hospital?

Dr. Ritchie: This is because of the turnover of Sunnybrook Hospital. Actually, the transfer of Sunnybrook Hospital has created quite a stir in the figures generally throughout the vote.

Mr. Harley: Thank you. There are two other things that may be related to the same thing and may be related to one another. At the bottom of the page under "Other Professional and Special Services" it has gone from \$3.5 million to almost \$5.5 million. At the same time the figures for "Positions (man-years)", coming down the column, have decreased by 1,500 man-years.

Dr. Ritchie: This is the result of the same influence. We are now paying for out-patient services at Sunnybrook Hospital which we used to provide ourselves.

Mr. Harley: Thank you very much.

The Chairman: Mr. Harley, if I remember correctly you put a question to Mr. Anderson the other day concerning burials and I think this would come under Vote 30. Do you still want to ask that question.

Mr. Harley: The question was concerning a recipient of war veterans' allowance who dies at home rather than on hospital strength. My understanding of the regulations is that financial assistance for burial is available if the patient dies on hospital strength but not if he dies at home. This struck me as a little unusual, because we are encouraging sick people to stay at home and out of the hospital, and yet in this case when her husband died the widow was unable to apply for this. I know

there is assistance through the Last Post Fund but I think it is little more complicated; it is not administered in the same way.

Dr. Ritchie: Mr. Chairman, I think Dr. Misener is quite familiar with the action we are taking in this regard. You are quite right that a patient has to die on strength to receive the benefits, but we are taking action and I would like Dr. Misener to speak to it if he will.

Dr. C. C. Misener (Director of Admission Services Department of Veterans Affairs): Mr. Chairman, the Minister has the authority to change the Veterans Burial Regulations so that a war veterans' allowance recipient wherever he dies in Canada would be eligible, subject to a means test, for consideration for a burial grant, just the same as if he dies on treatment strength in Canada today.

Mr. Chatterton: May I ask a supplementary?

Does that apply to war veterans' allowance recipients only?

Dr. Misener: And to those under Part 11 of the Civilian War Pensions and Allowances Act.

Mr. Chatterton: It does not cover the case, for instance, which I raised last year as an example at the Veterans Committee, where a disability pensioner became seriously ill and was rushed to hospital. The ambulance made a mistake and instead of the veterans hospital took him to a different hospital, where he died, so he did not get burial expense paid. Will the change cover that case?

Dr. Misener: If a pensioner dies other than on our treatment strength, he can receive a burial grant under the Veterans' Burial Regulations if the Canadian Pension Commission subsequently rules that death was related to service.

Mr. Chatterton: Only if death is related to service; in other words, a pensionable condition.

Dr. Misener: That is right.

Mr. Chatterton: There is no change in that then?

Dr. Misener: No; no change in that.

Mr. Harley: Could I ask Dr. Misener one other question? You said that the Minister has authority. Does this necessitate a legislative change or is it something that can be done under regulations?

Dr. Misener: Yes, under the Veterans Burial Regulations.

Mr. Harley: Are you looking forward to this change being made in the near future?

Dr. Misener: Yes.

Mr. Harley: It could not be retroactive, so in this case we will have to ask the Last Post Fund whether they can be of assistance.

Mr. Chatterton: I am sorry, I was talking when you were giving the answer and I did not hear what it was. Would you mind giving me the answer again, please?

Dr. Misener: The Minister may make regulations under the Department of Veterans Affairs Act and he has asked for authority to make a war veterans' allowance recipient eligible for consideration of a burial grant if he dies anywhere in Canada, even though not on departmental treatment strength.

The Chairman: Dr. Harley?

Mr. Harley: I will wait until we get to Item No. 38.

The Chairman: You can carry on with Item No. 38. I called the three items at the same time.

Mr. Harley: I have just one question on Item No. 38. The estimate for Treatment and Related Allowances shows a decrease of \$120,000. What is the explanation for that?

Dr. Ritchie: Mr. Chairman, this is due to the decrease in the number of pensioners who are now receiving this allowance.

Mr. Harley: Thank you.

Mr. Chatterton: Mr. Chairman, what is the forecast of the requirement of beds for the next few years? Is the forecast for an increased requirement?

Dr. Ritchie: Mr. Chairman, that is a loaded question. I think departmentally we are trying to maintain a status quo in so far as the number of beds is concerned. Presumably there will be an increase in the number of war veterans' allowance recipients with the World War II veteran becoming eligible. This may happen or it may not, depending upon its relationship to his other benefits as a civilian. There will be another influence, and this is the measure of medical care which becomes effective, we presume, in July 1968. Therefore it is really impossible to forecast what the actual load will be; so we are endeavouring to maintain our present number of beds.

Mr. Chatterton: Can Dr. Ritchie give a rough estimate of the percentage of beds in our veterans hospitals which are occupied by

what might be called chronic or domiciliary care cases?

Dr. Ritchie: May I divide the chronic into the long term care and the domiciliary, or what some people are referring to now as residential care? I think one would find that almost a third of the patients are of the long-term type, and the number of people who are domiciliary now is reducing all the time, so that this represents about 20 per cent of the total patients in the institution.

Mr. Chatterton: Let me get that figure straight; one-third of the total beds are occupied by what you call long-term cases?

Dr. Ritchie: Now, I have to admit that I have no accurate figure of this.

Mr. Chatterton: No.

Dr. Ritchie: It is very difficult to estimate, because it would have to be done by a personal review of each individual patient and everybody has a different interpretation of when a person requires long term nursing care and when they only require institutional and residential care.

Mr. Chatterton: But in addition to the one-third you say another 20 per cent could be—

Dr. Ritchie: —could be residential care.

Mr. Chatterton: Another 20 per cent, over and above the one-third?

Dr. Ritchie: Yes.

Mr. Chatterton: I think at last year's Committee meetings we were given figures—I am going from memory—to show that the capital cost of construction of domiciliary care institutions and the operational cost is something like one-third of the cost in general hospitals—something of that order. Is the Department giving consideration to providing such special institutions in conjunction with our veterans hospitals? In other words, to free the beds of these cases, in our treatment hospitals, which we were told can be given better treatment at a third of the cost in institutions specifically designed for that purpose?

Dr. Ritchie: Mr. Chairman, we have an odd situation here, because we have a number of institutions which are obsolescent and require replacement. Our policy at the present time is to replace, wherever possible, with active treatment beds, using the obsolescent beds for chronic and domiciliary care. We are departing from this practice in St. Anne's, where we are building a chronic care wing to the present hospital to replace the obsolescent beds.

There will be 640 beds in the chronic care wing.

Mr. Chatterton: In other words, the intention, then, is to provide separate or different facilities for the classes requiring acute care and the chronic and domiciliary care cases.

Dr. Ritchie: We will use the less desirable beds for chronic care.

Mr. Chatterton: Dr. Ritchie, may I ask you to tell me what the situation is with regard to the Veterans Hospital in Victoria? There was a proposal, which was generally acceptable, that the armed forces would join with the Department to make a combined hospital with the addition of a new wing.

Dr. Ritchie: Yes, I am pleased to report that this joint project is still under consideration, but apparently the armed services wanted to explore the merit of building their own hospital in Victoria. Therefore, they had to prepare a comparative analysis of the two possibilities. This has been presented to them this month and I believe a decision will be reached. My colleagues in the armed services are in favour of a joint project.

Mr. Chatterton: May I ask what is the attitude of your Department?

Dr. Ritchie: We are in favour of it.

Mr. Chatterton: So it seems that this desirable joint effort may well come to pass.

Dr. Ritchie: We hope so.

Mr. Chatterton: Could you hazard a guess whether it would be within the next two or the next five years? I realize it would have to be a guess.

Dr. Ritchie: I imagine that a decision will be made this fall by the Department of National Defence on what course of action they will follow. If they do not proceed with a joint plan, we will have to institute our own plan for modernization and development of additional diagnostic facilities at Victoria.

Mr. Chatterton: Yes. If the plan falls through, you will use the old part of the hospital for the domiciliary and long-term care and provide new up-to-date facilities for the acute care?

Dr. Ritchie: No, I am sorry, we will simply modernize the existing active treatment facilities at Victoria.

Mr. Chatterton: Can you give me the occupancy rate in the Veterans Hospital in Victoria?

Dr. Ritchie: Just one moment.

Mr. Chatterton: A percentage is good enough.

Dr. Ritchie: This again is up in the eighties; it is 87 per cent.

Mr. Chatterton: Thank you. With regard to the figures on page 582, I realize you have explained that the reduction of the personnel is due to the transfer of the hospitals. Is there any significance to the fact that the number of people in the Medical Specialist class is reduced by 15, the number of personnel in the \$16,000 to \$18,000 increased from zero to 46, and in one or two other cases also there is a change in the number by way of a certain income category?

Dr. Ritchie: I do not think there is any real significance to this. At the present time we are not too concerned about the classification of the position. In the past year we have used a number of more senior positions for the employment of people in lower classes. In other words, we have a position not necessarily used in its present classification.

Sunnybrook, of course, has accounted for the loss of a number of medical specialist physicians; these are senior positions.

Mr. Chatterton: I was wondering why, for instance, the group in the \$6,000 to \$8,000 range was increased from 135 to 224. The group in the \$4,000 to \$6,000 range was increased as well. Is there any particular significance to this?

Dr. Ritchie: It is probable that general salary revisions has brought about this change.

Mr. Chatterton: I see. Are you having any difficulty in getting medical personnel on staff at the hospitals.

Dr. Ritchie: Most of our staff is employed on a part-time basis. We have a total of 160 full-time doctors and 875 part-time doctors.

Mr. Chatterton: These are what you call consultants.

Dr. Ritchie: These are the consultants, included in the figure of 160 full-time we have both the medical administrative group and the medical specialists in radiology and pathology, as well as some in the specialties. We are having difficulty in obtaining radiologists and pathologists. We have a number of vacancies that we cannot fill

Mr. Chatterton: For consultants?

Dr. Ritchie: Yes.

Mr. Chatterton: Have you adopted the policy of engaging more consultants where they are available, generally speaking?

Dr. Ritchie: No, not more; there is no policy to increase the number employed.

Mr. Chatterton: I see.

(Translation)

Mr. Émard: I have a question to ask. May I ask it now, as I have to leave soon.

• (11:45 a.m.)

Mr. Chairman, I think we all agree on the value of specialization in all fields, and now especially in the medical field. I have been told that in a number of hospitals and in several industries the cost of education is paid for by the enterprises concerned. I am informed that in the Department of Veterans Affairs the situation is different. If, for example, a nurse wants to specialize in a certain field, there must be an immediate need for the specialization she wants to undertake. Your department accepts only a limited number of applicants for specialized courses. Personally, I feel that the rules should be broadened in scope to enable all the nurses and, in this case, the doctors, but certainly the nurses, to specialize in certain fields even in the absence of an immediate need for that special field. There should be an opportunity for these courses to be paid for as is done according to my information, in industry and in other hospitals.

[English]

Dr. Ritchie: Mr. Chairman, if I may I will reply to Mr. Émard in English because I could not do so completely in French.

As you have indicated, the Department has a limited program for the graduate education of nurses and the extended training of nursing orderlies. We hope to expand this program in the future so that people will receive training which will be appropriate to their employment in the Department.

You have suggested that we extend this to the general field of the requirements of the community for postgraduate training. I think we might find it difficult to justify the expenditure of public funds in a field in which we could not make use of this training and we have not attempted to do this up till now. We have arranged for postgraduate courses for nurses in psychiatry, operating-room technique, central supply and in any area where we can utilize the special services of this individual, but we have not extended this to

fields where this additional training will not be utilized by the Department.

(Translation)

Mr. Émard: I want to mention the case of one nurse in particular. Unfortunately I am not very familiar with the medical terms used. This nurse apparently took a course in a certain specialized field at Ste. Anne de Bellevue. When she applied for reimbursement, she was told that her fees could not be reimbursed because she had not been authorized to take the course but that other nurses had been, and that the number of students was limited.

It seems to me that in a case like that, where so few people are interested in pursuing their studies, those who are interested should be encouraged. Do you not think so?

[English]

Dr. Ritchie: Mr. Émard, we really do encourage people to take courses. There are certain limitations imposed on us by Treasury Board on the total number of people who can take training in a single course. It may have been because our quota for this particular course had been filled that the repayment of the fees to the particular applicant of whom you are aware was rejected. Certainly, if she were interested she would be given the opportunity to take this training, possibly at a later date and within another quota. She must have taken the training on her own and then sought reimbursement. If it was beyond our quota we could not do it, but we would certainly be prepared to send her on a course at a later date if it fitted in with the training program.

Mr. Webb: Mr. Chairman, could Dr. Ritchie tell us what the waiting list is at Sunnybrook Hospital?

Dr. Ritchie: I am not aware of any waiting list, Mr. Webb. Actually, we are rather pleased with the way things have proceeded at Sunnybrook Hospital. We expected difficulties far greater than those we encountered, and to my knowledge veterans are being admitted as required, according to their medical need.

There have been some delays in the admission of domiciliary or chronic care patients, where we have a limited number of beds available under the terms of the agreement; but the situation of this group remains unchanged from what it was previously, because we were still limited by the number of beds that we had available for them.

Mr. Webb: Could you tell me how many vacant beds there are in Sunnybrook Hospital?

Dr. Ritchie: I do not have a figure on the number of vacant beds.

Mr. Webb: It is really not important, but you will remember that last year there were a great many vacant beds and that we were told that these beds were vacant because of lack of staff. At that time the suggestion was made that probably practical nurses could be called in to take care of many of these patients who really do not need the services of a qualified RN. Has any action been taken on that?

Dr. Ritchie: Mr. Webb, when we were administering Sunnybrook Hospital we employed auxiliary nursing personnel to the maximum number that we could in relation to the number of professional staff available. This is limited by the number that you can actively use in a treatment program, and also by the number that are immediately available within the community.

I also believe that we had difficulty in recruiting nursing assistants because there was, again, a differential between the federal salary and the outside rate for this group.

In Sunnybrook Hospital at the present time they presumably have been able to meet outside wages because they are now in the local market.

I do have a return for April from Sunnybrook Hospital showing that there was a total of 1,374 beds filled. This means that they are only about 200 beds below their maximum rated capacity.

When one realizes that this institution is undergoing a complete transition and is planning for extensive modernization of its services I think they are doing an excellent job in getting it that full.

The Chairman: Mr. Matheson, is your question a supplementary one?

Mr. Webb: I have just one more question, Mr. Chairman.

Like Mr. Deachman, I also have had complaints about the waiting especially when a veteran living in a rural area is called into hospital. He receives notice that he has to report to the hospital at nine o'clock in the morning and eventually, at three or four o'clock in the afternoon, he sees a doctor.

Many of these patients travel by bus or train. As you know, neither service is very good now in many places. They are not even

very good from Ottawa to Toronto. Some of these veterans have to ask friends to drive them in by car and these people also have to sit around all day waiting for the patient to be attended to. Could something not be done, particularly for those patients who come from a distance?

If I want to go home tonight I have only once choice, and that is at midnight.

An hon. Member: There is no choice!

Mr. Webb: No, there is no choice.

The situation has become quite difficult. Many of the bus companies that applied for charters have now discontinued many of the services for which they applied when they appeared before the Board. This creates difficulty for many of our veterans. Some of them are ill, and it is quite tiring to sit in a hospital from nine o'clock in the morning until four in the afternoon. Could something not be done to expedite their appointments?

Dr. Ritchie: Mr. Chairman, I do not know just what further action the hospital can take other than have an appointment system whereby veterans can write to the hospital for applications which can be arranged. They could do this by telephone or by letter, and it might save them a great deal of inconvenience.

One factor still remaining is that if, because of his other commitments, the particular consultant is not available immediately the patient will still have to wait. This, however, is something, that just cannot be corrected.

Mr. Chatterton: May I suggest to Dr. Ritchie that if he finds a solution he pass it on to doctors in private practice!

The Chairman: Will you permit Mr. Matheson to ask a supplementary question?

Mr. Matheson: Supplementary to my friend Mr. Webb's question about the number of people in Sunnybrook Hospital, I think the answer that Dr. Ritchie was able to give was with respect to the month of April of this year.

Does Dr. Ritchie have available the comparable figures for our veterans' hospital in London, Ontario, which, as I understand it, is completely within the Department of Veterans Affairs and has not gone through this transition to which Sunnybrook Hospital has been subjected?

Dr. Ritchie: Mr. Chairman, Westminster Hospital, with a rated bed capacity of 1376,

has a 76 per cent occupancy, with a daily average strength of 1,051.

Mr. Matheson: Is it possible to have a breakdown between care and domiciliary care?

Dr. Ritchie: Oddly enough, I can give this for the non-departmental hospital, but not for our own. In Sunnybrook Hospital there are 874 active treatment patients, 193 chronic and 307 domiciliary. The percentage of active treatment patients in Westminster Hospital, excluding the psychiatric unit, is considerably lower than this.

Mr. Matheson: Thank you.

The Chairman: Have you finished now, Mr. Matheson?

Mr. Matheson: Yes, thank you.

Mr. Herridge: Mr. Charman, I wish to ask Dr. Ritchie a question for the information of veterans who live outside the Vancouver area. Would he mind explaining to the Committee what is the procedure at the present time with respect to those veterans who have to go to local hospitals; if they are chronic cases, how long they are usually kept in these hospitals; and what is the relationship between the treatment provided and the British Columbia hospital insurance services?

Dr. Ritchie: Mr. Chairman, I will attempt to field this question from Mr. Herridge. I am looking at Dr. Misener but he is not coming up with anything!

If a man in receipt of war veterans allowance elects to be treated at the local community hospital, and we have not interfered in any way, his hospitalization and the length of it are entirely dependent upon the medical judgment of the practitioner in that hospital.

Now, whether or not it is an insured service is up to the Hospital Services Commission, because they will only accept people for chronic care under certain conditions; they regulate this and make the determination. They do this in our hospitals, too. We have to present the cases to them and they review them.

• (12 noon)

Mr. Herridge: Mr. Chairman, I mentioned this for the information of these veterans and the Legion branches in particular who are interested in this question. There was a case last year and the year before of a veteran on war veterans' allowance who was in the local

hospital for some period and then they decided to send him down to Shaughnessy. He was there for some time and then they finally decided to send him back to his village. A week or so later it was necessary for him to go to the local hospital again. They kept him for a certain period and then sent him down to Shaughnessy again. How are those costs divided?

Dr. Ritchie: I assume that the Department accepted all the cost of transportation of the patient to and from his community. Because he was a war veterans' allowance recipient he would be entitled to this transportation. It does seem odd that the community hospital would discharge him to one of our own hospitals for continued care, but probably this is because we are prepared to accept him as a departmental patient and can carry him for a longer period than the community hospital can afford to do because of the demand for their beds.

Mr. Herridge: Thank you for that explanation. I was asked to ask this question because a number of veterans get rather confused about the procedures.

Dr. Ritchie: Your particular patient probably had an exacerbation of his condition which required his re-admittance to hospital after he was sent back to his home; that is, he had a recurring condition.

Mr. Herridge: Yes; I am not aware of all the circumstances. It was just brought to my attention. Dr. Ritchie, I see an item here "Corps of Commissionaires Services—\$804,000". How does the Department provide for those services? Do they enter into a contract with the Corps of Commissionaires?

Dr. Ritchie: This is a contract arrangement with the Corps of Commissionaires for a certain number of man-days service.

Mr. Herridge: The Department of Veterans Affairs hires only members of the Corps of Commissionaires for this type of service?

Dr. Ritchie: That is correct.

Mr. Herridge: Another item that interests me is the one for \$22,000 for Medical Education under Vote 30. Could you explain just what that is used for?

Dr. Ritchie: This money for medical education used to be considered under research which was a combined vote—Research and Education. We have taken it out because it is more properly a cost of operating an institution. This is the type of training that Mr.

Émard referred to in his question, Mr. Herridge; we send members of the staff off for post graduate training. We send them to conferences in order that they may keep up to date in the practice of their particular profession or technical skill.

Mr. Herridge: I see; it is applied to individual members of the staff.

Dr. Ritchie: Yes, members of the staff.

Mr. Herridge: Thank you. I have just one more question and it is with respect to this item of \$415,000 for Medical Research. Could you explain to the Committee in general terms what is being undertaken, in that respect?

Dr. Ritchie: Mr. Chairman, the research program is directed primarily to projects which will be of value to the Department of Veterans Affairs in the care of patients who are its responsibility. We started originally with a program which investigated the chronic diseases which might be more prevalent in veterans and with projects associated with aging. This had to be departed from, to some extent, in order to provide projects which would be of interest to members of the medical staff so that we could keep these people interested in working in our hospitals. We are now broadening the scope a little bit but we are trying, wherever possible, to keep these research projects directed towards the aging and the chronically ill.

Mr. Herridge: I am very pleased to hear that explanation, Mr. Chairman.

[Translation]

Mr. Thomas: Mr. Chairman, in the light of the questions raised by other members of the Committee, I found the reply to one of my own questions. My name is on the waiting list, and the reason for my asking a further question is that I did not fully understand one of the replies by a senior official of the department.

Last Monday, a veteran came to see me. Obviously, we should not all refer to particular cases, as our sittings would never end, but I want the information for future use. I quite understand that a patient must necessarily await his turn on the waiting list. And I assume the percentage of available beds is the same in all hospitals. This person complained that he went to Queen Mary Veterans Hospital at 11 o'clock in the morning and was not admitted until 3:45 in the afternoon. In the interval, I called the department and found that this veteran apparently suffers from a number of ailments. But this was not a rea-

son, it seemed to me, for not admitting him to the hospital. So I said: "Put him in today, and take him out tomorrow." It seems that out of the long list of ailments from which he suffered, the one about which he was complaining on that particular day, a kidney ailment, had not been included. I asked whether the illness had to be a direct result of his military service and was informed that this is so.

For my own information, does a veteran have to have a prior illness recorded on his file to be admitted to hospital?

[English]

Dr. Ritchie: Mr. Chairman, I think we all have to accept the fact that veterans' hospitals are hospitals first in the community, so that regardless of what condition a patient has, whether he be a veteran or not, if he reports to the hospital and is in urgent need of care this should—and, we hope, will—be provided.

If the veteran reports with a disability, or complaining of a condition for which he has no pension disability, or there is no indication in his documents that he has suffered from this before, there is no reason why he should not be examined if he is in need of acute care. Certainly, though, he would not necessarily be entitled to treatment.

This is another factor again, because veterans have to qualify for treatment of certain conditions. If he does not receive war veterans' allowance he does not necessarily qualify at the hospital for treatment. We have to reject a good number of patients who probably have a chronic disease but are not in immediate need of admission and refer them to their family doctor.

Our first objective, though, is to try to qualify the veteran in some way. If we are going to qualify him this means that we have to know what is wrong with him because a veteran may qualify, under certain economic factors, for treatment as a Section 13 patient under the Treatment Regulations. So he would be examined and the nature of the treatment required determined, and possibly the length of care required. In this way he may qualify for treatment, but there are still cases which do not qualify under any of the Treatment Regulations and these patients have to be referred to their family doctor. In most instances, though—I know at Queen Mary particularly—they have a policy whereby the man possibly is examined, given an initial prescription and then referred to his doctor.

Mr. Legault: Dr. Ritchie, with respect to the item referred to by Mr. Herridge concerning the Corps of...

Mr. Clancy: Mr. Chairman, I have a supplementary.

The Chairman: Mr. Legault, with you permit Mr. Clancy to ask a supplementary?

Mr. Legault: Yes.

Mr. Clancy: In other words, we are still working on pre-service conditions. The Board says, you had it before you joined the army, the air force or the navy.

Dr. Ritchie: We are not concerned about when he had a disability in so far as his treatment is concerned in a departmental institution. The primary concern is: Does the man need treatment? If he needs treatment, then he has entitlement either as a pensioner—if it is a pension disability—or because he receives the war veterans' allowance, or we may qualify him on economic grounds for a condition for which he has no entitlement.

Mr. Clancy: The basic thing is entitlement. So many times I have run into this pre-service condition. In other words, you had it before you joined the service. I think that should be wiped off the map.

Dr. Ritchie: This concerns pensions but not treatment.

Mr. Legault: Can Dr. Ritchie tell us whether the Corps of Commissionaires Services is negotiated through the Department of Defence Production as in all other cases?

Dr. Ritchie: Mr. Walsh tells me that it is so negotiated.

Mr. Legault: I have another question with respect to this. Is Mr. Walsh familiar with the rates of pay that apply to these Commissionaires?

Mr. J. E. Walsh (Director of Financial Management, Department of Veterans Affairs): The rates of pay vary from community to community and are based upon going rates of pay fixed by the Department of Labour, I believe, in the respective communities. Mr. Muirhead has a list here showing the most recent rates of which we had knowledge at the time the estimates were prepared. They range anywhere from slightly above \$1 in certain places down East to probably close to \$2 in certain other parts of the country.

Mr. Legault: So, there is an adjustment according to local conditions?

Mr. Walsh: Yes, and these rates are reviewed and adjusted from time to time, possibly as often as once a year.

Mr. Legault: Are they rated also according to the responsibility given to the Commissioners in various situations?

Mr. Walsh: Posts are established that take into account whether the Commissioner has a supervisory responsibility or not, and the rates do vary.

Mr. Legault: These rates are established by the Corps of Commissioners and not by the Department?

Mr. Walsh: They are not established by the Department of Veterans Affairs. They are presumably established by some authority other than the Commission.

Mr. Legault: It would be the Corps of Commissioners.

Mr. Walsh: At the moment I cannot say whether that is correct or not. I will try to get you an answer to that.

Mr. Herridge: Mr. Chairman, could the witness give illustrations of an area where \$1 is paid and one where \$2 is paid?

Mr. Muirhead: The lowest rate I have here is Lancaster Hospital, Lancaster, New Brunswick. At this time it was \$1.42 an hour for seven positions and \$1.59 for one position which, I presume, was supervisory. That is the lowest rate on the schedule.

Mr. Legault: Mr. Chairman, I have a supplementary. Does the Department give preference to veterans with some slight disability?

Mr. Muirhead: I am unable to answer that; it is up to the Corps.

Dr. Ritchie: It is entirely up to the Corps to assign people to these particular duties at the hospital. We have no rights of selection, they are assigned by the corps. We merely specify the nature of the duty to be performed and the amount of time that has to be given to it.

Mr. Herridge: Mr. Chairman, I have a supplementary. Could we have an illustration of the highest rates paid?

Dr. Ritchie: The highest rate paid is in Shaughnessy Hospital, where it is \$2.36. This is for one position which, presumably, is the Sergeant in charge of the Commissioners.

Mr. Herridge: In British Columbia?

Dr. Ritchie: Yes, in British Columbia.

Mr. Harley: Are the rates really established? Is there any prevailing rate employed by the Department of Labour of the federal government?

Mr. Muirhead: I am not aware of any arrangement for setting these rates.

Mr. Clancy: Can a veteran on a 15, 18 or 20 per cent entitlement be docked because of his pension?

Mr. Harley: I am sorry. Would you repeat the question?

Mr. Clancy: Is a veteran who is on a pension of from 15 or 20 per cent—any percentage of pension—docked any of his pay because of his pension rights?

Mr. Muirhead: So you mean as a commissioner?

Mr. Clancy: Yes.

Mr. Muirhead: We are not aware of any such arrangements. I cannot really reply to your question, Mr. Clancy. We just pay for the man's services and the terms of his employment, as far as salary is concerned, are negotiated with the Corps of Commissioners.

Mr. Clancy: If a veteran in the Corps is drawing a 15 per cent pension, he draws the regular rate for the Corps in his area?

Mr. Muirhead: We pay the Corps the regular rate.

The Chairman: Does this complete the questioning on items 30, 35 and 38?

Mr. Chatterton: Roughly what percentage of patients in our veterans' hospitals are Section 13 cases?

Dr. Ritchie: It is less than 10 per cent.

Mr. Cowan: Mr. Chairman, in answer to a previous question I thought the witness said there were some national rates of pay that were lower than the provincial rates, which accounted for somebody getting a lower rate of pay in one hospital than they were getting in another local hospital? Was that not the answer that I heard?

Mr. Harley: I think they were referring to orderlies' salaries.

Mr. Cowan: They were referring to orderlies' salaries. We are told there is a national rate of pay. Why is there not a national rate of pay for these commissioners who are engaged by the same department? Why do they go up and down according to locality? If the orderlies have to be satisfied with a national rate of pay why should not the Commissioners be treated in the same way?

Mr. P. Pelletier (Deputy Minister, Department of Veterans Affairs): Mr. Chairman, in

reply to Mr. Cowan's question, I think there are two things we should remember here. The first is that the Corps of Commissionaires is employed by the federal service throughout many different departments. As you all know, this is not unique with the Department of Veterans Affairs. The second matter is that the so-called trade occupations throughout the Civil Service of Canada have traditionally been paid at a regional rate, whereas the so-called white collar and professional workers, up until very recently have all been paid at a national rate. At the present time the only exception to this rule to my knowledge is the nurses to which Dr. Ritchie referred, who are now paid on a quasi-regional rate of pay basis.

Mr. Cowan: It may be clear to you but it certainly is not clear to me. I thought you were speaking of orderlies. You have now brought in nurses.

Dr. Ritchie: Your question, Mr. Cowan, was why were we paying the Corps of Commissionaires on a regional rate. These are, in effect, prevailing rate employees as contrasted with public service employees.

Mr. Cowan: Well, in Toronto we pay the prevailing rate in Toronto; we do not pay the prevailing rate in St. John's, Newfoundland or Prince Rupert, British Columbia. I thought all employees were prevailing rate employees. Any of them which I have ever had anything to do with were prevailing rate employees. I am not talking about government, I am talking about business.

Dr. Ritchie: We are operating national, federal hospitals and we have adhered to the employment policies established by the Public Service Commission. They were responsible up until the present time for establishing salary rates for employees in all federal departments. This has now been transferred to Treasury Board, who will be responsible for negotiating rates of pay.

Mr. Clancy: I have a supplementary question, Mr. Chairman. Do you say the prevailing rates that are set by the provinces? In other words, if the minimum wage in Saskatchewan is so much, do you pay that minimum wage?

Dr. Ritchie: Mr. Clancy, are you referring to prevailing rate employees?

Mr. Clancy: That is correct, sir. If I hire somebody in Saskatchewan I have to pay a certain rate. This is laid down by provincial law.

Dr. Ritchie: The prevailing rate, though, is established through the Department of Labour and we pay whatever rate is established by that department. I presume they would have to adhere to the minimum wage law of each province.

The Chairman: Mr. Deachman, do you have a supplementary question?

Mr. Cowan: Why cannot Mr. Deachman wait until his turn comes? He can examine all he wishes on his own time and allow me to continue with my questioning.

Mr. Deachman: I am just according Mr. Cowan the same courtesy he accorded me. Is it not true, sir, that you do not employ Commissionaires. In fact you engage in a contract with the Corps of Commissionaires so in this case, you are not employers of individual labour, you are not responsible for those individuals at all. In the one case you are entering into a contract.

Dr. Ritchie: That is correct.

Mr. Deachman: You have to enter into a contract and this is negotiated. Is that not so?

Dr. Ritchie: Mr. Walsh tells me that this is so.

Mr. Deachman: This contract includes not only the wages of the men but also a percentage negotiated for the administrative purposes of the Corps of Commissionaires, and this is always negotiated. In British Columbia you do not negotiate with the Canadian Corps of Commissionaires, you negotiate with the British Columbia Corps of Commissionaires?

Dr. Ritchie: This is correct, yes.

The Chairman: Mr. Cowan, will you permit Mr. Harley to ask a supplementary question?

Mr. Harley: My question is not a supplementary.

The Chairman: Very well.

Mr. Cowan: In Vote 30, at the bottom of the page, you have overtime for 1967-68 as \$721,000 and last year it was \$800,000. I am not interested in the difference in the figures, but who gets overtime pay in the Department of Veterans Affairs? Do nurses get overtime pay for working on weekends or holidays?

Dr. Ritchie: Any nurse who is called in for the performance of special duties outside her normal working hours would be paid overtime.

Mr. Cowan: At what rate of pay? Is it time and a half, double time, two and a half or three times?

Dr. Ritchie: Overtime begins with time and a half. It then varies depending on whether or not it is on a day after a day of rest. This is a complicated matter. I am not really qualified to say exactly how the rates are extended but it has a relationship to whether it is after a day of rest.

Mr. Cowan: Can you say what the division on overtime would be between professional employees such as nurses and prevailing rate employees?

Dr. Ritchie: There is very little overtime for prevailing rate employees because this is not an area in which we have difficulty obtaining staff. Most of the overtime is related to nursing staff, x-ray technicians, lab technicians and some nursing orderlies.

Mr. Cowan: You also have night differential payment for operating services. By night differential do you not mean night and evening as well, or is there only the one differential?

Dr. Ritchie: There are two differentials, a night and an evening differential, Mr. Cowan.

Mr. Cowan: I congratulated the Minister of Veterans Affairs several years ago when the department put in a night differential rate of pay. Believe me, I was shocked—that is the only word I can use—when I learned what the rates of pay were for night differential and evening differential last year. What are the present differential rates of pay? This is now 1967. I hope we have moved into the modern age.

Dr. Ritchie: The rates payable are eight cents per hour for evening shift—

Mr. Cowan: Just a moment. I am writing this down because I cannot believe it, you see. Eight cents an hour for evening shift. Yes?

Dr. Ritchie: And 12 cents per hour on the night shift.

Mr. Cowan: Yes. That sounds terrific. What hours do you classify as evening hours and what do you classify as night hours?

Dr. Ritchie: Six p.m. to midnight—

Mr. Cowan: Six p.m. to midnight.

Dr. Ritchie: —is the evening shift.

Mr. Cowan: At eight cents an hour. That amounts to 48 cents a day.

Dr. Ritchie: Midnight to six a.m. is the night shift.

Mr. Cowan: At 12 cents an hour that amounts to 72 cents. Do you know any other labour employer in Canada who pays a differential for evening and night shifts on limited hours in shifts such as these?

Dr. Ritchie: I am not specifically aware what the rates are outside the department, Mr. Cowan, but I do know that there is—

Mr. Cowan: I spoke about divided hours of pay.

Dr. Ritchie: The principle of differential pay has been applied quite differently in different provinces. There is no set pattern as to what is considered as the night or evening differential. Indeed, in some areas I think there is only a differential for night duty. I am not familiar with the definition of the hours under which they would be entitled to differential pay.

Mr. Cowan: Did you hear the expert witness from Kapuskasing point out that the differential is to be paid from four in the afternoon until midnight on evening shifts?

Mr. Habel: No, I did not say exactly from 8 to 12, but those rates are paid night and evening as well.

Mr. Cowan: They split the shift into hours. Mr. Chairman, when we were in Europe with the Veterans Affairs Committee last summer I made inquiries into these differential rates of pay in Britain. I am sorry to have to report that it was there I found the only other employer I ever knew of who split the hours on the night and evening shifts into certain rates of pay. Do you use the same argument they use in England, that they consider day hours of work up until six p.m. and evening hours after six? They also consider day hours of work after six a.m. and night hours of work between midnight and six. Is that the reasoning behind the Canadian government scale as well?

Dr. Ritchie: Mr. Cowan, I cannot explain the reasoning behind the division between the two rates.

Mr. Cowan: Is there any?

Dr. Ritchie: Apparently there was. I think there has been a great deal of argument about which should have the higher differential. Therefore there is a lot to be said in favour of a single differential rate. I would be much

more in favour of a single differential rate than two rates.

Mr. Cowan: Are you a medical doctor, sir?

Dr. Ritchie: Yes.

Mr. Cowan: I asked you that question in view of your statement. In the province of Quebec they pay a differential rate of pay for evening and night and they do not split the hours. They pay it for every hour in the shift. They also pay a shift differential in Saskatchewan and they do not split the hours. In the province of Quebec the higher rate of differential goes to the evening hours as far as nurses are concerned because they find if they work from 3.30 p.m. to 11.30 p.m. it interferes in their social activities with young interns and doctors just getting established. It is more difficult to engage nurses for the evening shift than for the night shift. However, the federal government, not being in touch with labour conditions, under this arrangement would be paying a higher differential for the night shift and a lower differential for the evening shift. Are you aware that the hospital services in Quebec and Saskatchewan are paying a higher rate for the evening shift than for the day shift?

Dr. Ritchie: I am aware that there has been a difference, yes.

Mr. Cowan: And in the federal government we pay a higher differential for the night as compared to the evening shift. Are the interns in the War Veterans' Hospitals perhaps less attractive than the interns in the civil hospitals?

Mr. Harley: On the average the nurses are older there!

Mr. Cowan: I will let the medical services answer the nursing profession on that matter. I have never asked the nurses how old they were in any hospital I have ever been in. I want to thank you for giving us figures on that night differential. They are absolutely ridiculous and ludicrous, and a commission to investigate, or to handle, collective bargaining is long overdue when rates such as those we're being paid in nursing.

(12:30 p.m.)

I have a question on laundries. On Page 583 you have for Laundry, 1967-68, \$308,000 operating expenses. How many laundries do the Department of Veterans Affairs hospitals operate in Canada?

Dr. Ritchie: We have laundries at Camp Hill Hospital, Lancaster; Ste. Foy Hospital; Ste. Anne's Hospital; Westminster Hospital, London, Ontario; Col. Belcher Hospital, Calgary; and Shaughnessy Hospital. That is the list.

Mr. Cowan: Have you been operating hospital laundries for many years, or is it a recent innovation?

Dr. Ritchie: We have been operating laundries for many years in both Westminster and Ste. Anne's.

Mr. Cowan: Are these laundries all operated by a permanent hospital staff, or by a contract staff brought in from outside to operate the laundry?

Dr. Ritchie: These are hospital employees.

Mr. Cowan: On the federal government payroll?

Dr. Ritchie: On the federal payroll.

Mr. Cowan: And they have been for years?

Dr. Ritchie: Yes.

Mr. Cowan: By commercial standards are these considered big or small laundries? How many pounds of laundry would they be processing per day?

Dr. Ritchie: I am sorry, I do not have the poundage figures for them, but just from my own knowledge I would say that the laundries at St. Anne's, Westminster Hospital and Shaughnessy Hospital are large.

Mr. Cowan: That is fine doctor. Thank you very much for the information you have given.

The Chairman: Mr. Fane?

Mr. Fane: May I ask Mr. Cowan what is the differential that is paid in the hospital of which he is the president, or manager, as compared to the present—?

Mr. Cowan: Mr. Chairman, Inasmuch as Mr. Fane is a representative of the Conservative Party in the House of Commons it gives me a great deal of pleasure to answer that question.

The hospital of which I was chairman for 14 years made a definite recommendation to the Ontario Hospital Services Commission, which has been under a Conservative government now for 24 consecutive years, and you will be interested to know that the hospital received an answer from the Ontario Hospital Services Commission pointing out that when

they established the rate of pay for nurses—which prevails throughout the metropolitan Toronto area—they did not make any differential rates of pay, but that the Northwestern General Hospital was welcome to cut the day rate of pay of the nurses so that the night rate would be higher; but that it could not be higher than the rate of pay that the Ontario Hospital Services Commission had set.

If you have ever heard an answer to a question on differential to equal that I wish you would let me have it. I can show you the letter. We can cut the day rate of pay so that our night rate of pay can be higher than the day rate. That is in the OHSC letter, over the signature of their chairman.

Mr. Fane: Do you realize that I come from Alberta?

Mr. Cowan: Yes, sir, I do. I knew you would not know about this.

Mr. Harley: May I just point out, Mr. Cowan, that the OHSC was not in existence all the time that you were chairman of the board. What did you pay before that?

Mr. Cowan: We were paying the prevailing rates of pay.

Mr. Harley: But you were not paying a differential.

Mr. Cowan: If it was necessary to hire a nurse, yes. We had special rates for...

The Chairman: I think we had better resume the questioning of the witness.

Mr. Harley: I would like to ask Dr. Ritchie one question on a matter that is not in the Estimates. I am referring to the prosthetic services, which have now been moved from the Department of Veterans Affairs to the Department of National Health and Welfare. I wondered if there had been any great complaint since the transfer of the service to that department took place?

Dr. Ritchie: No. We have received no complaints. We are getting satisfactory service through the Department of National Health and Welfare and I know that in some areas they have been able to extend this service to the community, so that civilians are beginning to participate in the benefits.

Mr. Harley: Thank you.

Mr. Cowan: I hope every person in the room heard that exchange. It is a wonderful service they are giving.

The Chairman: Are Votes 30, 35 and 38 carried?

Votes 30, 35 and 38 agreed to.

The Chairman: I would now like to thank Dr. Ritchie, Mr. Muirhead and Mr. Walsh.

Gentlemen, we will now come back to Item 1. Shall Item 1 carry?

Mr. Herridge: Mr. Chairman, I have one question to ask of the Deputy Minister. I have with me a copy of The Canada Gazette, Part II, Volume 101. It is dated May 10 and it deals with Order in Council P.C. 1967-784. It was adopted on the 20th day of April and in part it reads as follows:

His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs, pursuant to section 6 of the Department of Veterans Affairs Act, is pleased to approve the Veterans Correspondence Courses Regulations, made by the Minister of Veterans Affairs on the 28th day of February, 1967.

His Excellency in Council is further pleased hereby to approve, effective January 1, 1968, the revocation of the Continuation of Educational Services Regulations approved by Order in Council P.C. 1954-1537 of 6th October, 1954, as amended.

Would the Deputy Minister mind explaining the basis for that Order in Council?

Mr. P. Pelletier (Deputy Minister, Department of Veterans Affairs): Mr. Herridge, with regard to this Order in Council, which I agree is rather cryptic, in its terms, quite briefly the background is that several years ago—I have forgotten the exact date—we took over these correspondence courses which were initially established by the Royal Canadian Legion and we have been managing these correspondence courses ever since.

A number of things have happened in recent years. In the first place, many of our courses, not to say most of them, have become obsolescent and some, indeed, obsolete. At the same time, the provincial governments have been refining and bringing their own courses up to date, and even those who did not have correspondence courses are now coming into this field so that there are excellent and up to date correspondence courses being offered which are equivalent to the kind of courses we offered. These courses are being provided by the various provincial departments of education. It would have cost us a great deal of

money—I do not have the figures at my fingertips—to bring our correspondence courses up to date and keep them up to date. Consequently, the purpose of the new regulations to which you have referred is simply to do away with the old correspondence courses and to enable us to buy—if indeed there is any payment involved because in many cases these provincial courses are free—these provincial correspondence courses for veterans.

Mr. Herridge: Thank you very much for the explanation.

The Chairman: Is Vote 1 carried?

Vote 1 agreed to.

The Chairman: This completes the Estimates of the Department of Veterans Affairs. May I now have a motion to authorize the Chairman to report the Estimates to the House?

Mr. Harley: I so move.

Mr. Habel: I second the motion.

Motion agreed to.

The Chairman: Because we did not have a subcommittee meeting on the report would it be agreeable to the Committee if I read the report to see if you agree with the way I wish to report the Estimates back to the House?

Some hon. Members: Agreed.

The Chairman: It reads:

Pursuant to its order of Reference from the House dated June 1, 1967, your Committee has made a thorough examination of the Main Estimates (1967-68) of the Department of Veterans Affairs, including Vote L115 in Loans, Investments and Advances, and has agreed to recommend same to the House for adoption.

Your Committee was most pleased with the high degree of efficiency and understanding which mark the administration of all Branches of the Department of Veterans Affairs. The Committee com-

mends the Minister, the Deputy Minister and the Officials of the Department for their co-operation and assistance and for the manner in which they supplied detailed answers to questions posed by members of the Committee.

Your Committee would greatly appreciate—

And I repeat that this was in our report last year but as this is a new Committee this year, although with the same Members I think it should be included.

—having the opportunity of examining the Wood's Report on the Work and Organization of the Canadian Pension Commission, after the said report has been published and tabled in the House.

Your Committee, while examining the Annual Report 1965-66 of the Department of Veterans Affairs, the Canadian Pension Commission and War Veterans Allowance Board, also plans to undergo a comparative study of all Veterans' benefits.

Do you agree to this report?

Some hon. Members: Agreed.

The Chairman: At this stage I wish to thank the Deputy Ministers and all the officers of the Department for their co-operation and also the manner, as it is said in the report, in which they have replied to our questions and for their attendance at our meeting. We hope to see them again when we look at other work of the department, such as the estimate report or the Woods Report.

Mr. Herridge: Mr. Chairman, I presume it is correct to say that the Committee and the staff all retired in an amiable frame of mind.

The Chairman: For the benefit of officials and Members, there will not be a meeting tomorrow morning as scheduled. This was mentioned in our subcommittee report which was adopted this week. Thank you very much, gentlemen.

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The Clerk of the House.

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